1999/2000

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Message from the Minister

To build a healthy, sustainable forest economy for the future, we must invest today. That was the understanding among all stakeholders in the B.C. forest sector—industry, workers, environmentalists, First Nations, communities and government—when the Forest Renewal BC partnership was created six years ago.

To make it happen, a publicly accountable Crown agency was created.

That Forest Renewal partnership is as vital today as it was in 1994. Investments of more than $300 million made in 1999/00 were particularly important in helping the forest sector, which is still the number one industry in British Columbia.

Since 1994, Forest Renewal BC has re-invested almost $2 billion from stumpage revenues back into the forest sector, encouraging sustainable harvests, protecting the environment and supporting the efforts of the value-added manufacturing sector to increase its markets and sales.

Most importantly in the last few years, Forest Renewal BC has helped British Columbian workers and communities through difficult times and challenging transitions as the forest sector was battered by a dramatic economic downturn, followed by signs of a turnaround.

As an organization, Forest Renewal BC has also turned a corner, to become a more effective, efficient agency. It is now better able to play a lead role in helping build a more diversified, sustainable forest economy in the province.

Forest Renewal BC investments continue to make a significant difference in how our forest resources are managed for all British Columbians. I am pleased to submit the *Forest Renewal BC Annual Report* for the year ended March 31, 2000.

Honourable Jim Doyle
Minister of Forests

Message from the Chair of the Board

The 1999/00 fiscal year was Forest Renewal BC's sixth investment year and the first under its new, performance-based strategic plan.

That plan establishes key targets and performance measures for all investments. It provides a clear road map of where we want to go, how we'll get there, and how we'll be measured along the way.

In 1999/00, the corporation further refined the changes we have already made to increase the efficiency and effectiveness of how we deliver on-the-ground investments. We have successfully evolved from a program-delivery agency to a smaller, performance-based investment agency. Our success depends on our partners, whom we fund to undertake activities that support our long-term strategic objectives, and we have worked hard to build and develop those relationships.

After a difficult few years in the forest sector, the pressure on Forest Renewal BC's financial reserves has been eased by higher-than-forecast stumpage revenues and corporate efficiencies. We are therefore better able to make the necessary investments to meet the long-term targets set out in our strategic plan, including growing more and better trees, restoring high-priority watersheds and helping the value-added sector expand.

These investments by Forest Renewal BC will continue, as they have already done throughout the corporation's first five years, to play a critical role in helping our province realize a better, more sustainable future.

Roger Stanyer
Chair of the Board, Forest Renewal BC

1999/00 Highlights

INCREASING TIMBER GROWTH IN B.C.'S FORESTS

Forest Renewal BC invested $93 million during 1999/00 to improve the productivity of second-growth forests and increase the forest growing area of the province. Funding continues to help delivery partners make major strides in reducing the area designated as "not sufficiently restocked" and increasing timber growth on these lands.

Among other accomplishments, Forest Renewal BC's 1999/00 investments funded the planting of some 8 million seedlings on 8,900 hectares, and the treatment of another 32,800 hectares of backlog lands to increase crop tree growth. Investments also supported enhanced forestry silviculture treatments on nearly 54,000 hectares of B.C.'s second-growth forests. Combined, Forest Renewal BC's 1999/00 sustainable harvest investments are projected to increase B.C.'s future potential timber harvest volumes by more than 5 million cubic metres by 2065. These investments have both immediate benefits, in job creation, and a long-term legacy of increased timber volume—and the forest-sector jobs to sustain, treat and harvest it.

IMPROVING WATER QUALITY AND RIPARIAN HABITAT

Forest Renewal BC's investments in watershed restoration are improving water quality and riparian habitat in hundreds of watersheds across the province. In 1999/00, the corporation invested more than $46 million in deactivating roads, stabilizing slopes, restoring riparian habitat, and enhancement work in watersheds. These investments are helping repair historical environmental damage and protect riparian ecosystems and the species that depend on them.

SUPPORTING SUSTAINABLE FOREST MANAGEMENT PRACTICES

Forest Renewal BC invests in resource inventory work to increase our knowledge of forest resources and develop new forest management tools. During 1999/00, the corporation invested more than $56 million to obtain better information that can be integrated into forest management planning and decision-making. Much of this work involved gathering information on wildlife, fisheries and ecosystems through inventories of grizzly bears, fish habitat, and vegetative cover. Forest Renewal BC also continues to support the development of new management tools and techniques through Innovative Forest Practices Agreements and Enhanced Forest Management Pilot Projects to encourage new approaches to sustainable forest management.

STRENGTHENING AND EXPANDING THE VALUE-ADDED SECTOR

Forest Renewal BC continues to be the major financial supporter of the secondary wood products manufacturing sector in B.C. In partnership with the value-added industry, Forest Renewal BC invested more than $17 million in 1999/00 to help the sector expand, diversify and strengthen its competitive position in the global marketplace. Benefits from these investments include increased industry sales, improved operating efficiencies, the development and application of new technology, and expanded training and business development support. Through its Value-added Strategy and investments, Forest Renewal BC is working with more than 450 value-added organizations, associations and individual businesses across the province.

SUPPORTING FOREST WORKERS AND COMMUNITIES

Forest Renewal BC funding works across the province to help meet the challenges of forest-sector transition. Through its 1999/00 investments, the corporation assisted more than 4,100 forest workers with the transition to new employment by providing employment development and training support. Forest Renewal BC also worked with 75 regional groups of forest-dependent municipalities, First Nations, and local community economic development organizations in B.C. Its investments not only helped Forest Renewal BC partners implement their local forest-sector economic development initiatives, but contributed to the creation, expansion and maintenance of more than 500 forest-sector businesses in B.C. communities.

Corporate Overview

VISION

British Columbia is the world leader in enhanced, sustainable forest management for a full range of uses, with vibrant forest communities and a globally competitive forest sector.

VALUES

- **Accountability**
- **Collaboration and partnership**
- **Ecological integrity**
- **Innovation**
- **Local needs**
- **Adaptability**

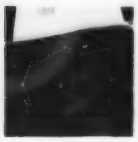
MANDATE AND STRUCTURE

Forest Renewal BC was established in 1994. The provincial Crown corporation is an investment agency with a clear, focused mandate:

To plan and implement a program of investments to renew the forest economy of British Columbia by enhancing the productive capacity and environmental values of forest lands, creating jobs, providing training for forest workers, and strengthening local communities that depend upon the forest industry.

Working with forest companies, workers, First Nations, environmentalists, communities and government, Forest Renewal BC helps create a healthier, sustainable, more productive and globally competitive forest economy in B.C. In all of the corporation's activities, it promotes regional equity and participation, wide representation for stakeholder groups, and sensitivity to the needs of the environment.

Forest Renewal BC reports to the Minister of Forests. Its accounts are audited by the Auditor General of British Columbia, and its business plan is reviewed by the Select Standing Committee on Forests, Energy, Mines and Petroleum Resources, a multi-party committee of the Legislature.



STRUCTURE

Forest Renewal BC is governed by an 18-member board of directors, including 12 members from the private sector and six from the provincial government. Board members, who represent the major stakeholder groups, ensure that the corporation's activities are in keeping with its mandate. The board also sets Forest Renewal BC's strategic priorities, and reviews and approves its investment and operational plans. Specialized committees advise the board on how best to invest in, foster and develop new programs and policies.

The corporation has six regional offices, located in Williams Lake, Prince George, Kamloops, Smithers, Cranbrook and Campbell River. Regional staff work with communities, groups and individuals to ensure that there is local involvement in regional investment plans and priorities. (Forest Renewal BC does not deliver programs. Individual companies, associations, unions, communities, environmental and other groups are responsible for project implementation.)

Forest Renewal BC executive and corporate support staff are located in Victoria.

FUNDING

Funding for Forest Renewal BC comes from stumpage paid by forest companies for the right to harvest timber on Crown land in British Columbia. The Crown owns 94 per cent of the land in the province.

Under the authority of the *Forest Renewal Act,* the corporation is entitled to 80 per cent of the increases in stumpage resulting from

changes to the *Forest Act* in 1994, minus an offset of up to $50 million annually.

Based on a new pricing structure effective June 1, 1998, the percentage of stumpage revenue received by Forest Renewal BC varies. Stumpage revenue is sensitive to harvest levels, the Canada/U.S. exchange rate, and a volatile lumber market.

To safeguard program funds against several consecutive years of low revenues, a program continuity reserve was established in 1995/96. At the end of 1999/00, the reserve stood at $400 million.

FOREST RENEWAL BC'S STRATEGIC PLAN

The *Forest Renewal BC Strategic Plan 1999 - 2003* was published in August 1999. It identified the challenges and opportunities facing the forest sector, and described Forest Renewal BC's corporate direction and priorities for the next five years. Under this strategic plan, the corporation's investments and operations are guided by four corporate commitments and seven strategic objectives.

CORPORATE COMMITMENTS

One of the unique features of Forest Renewal BC is its four corporate commitments. They reflect the corporation's founding principles and core values; and are incorporated into all of Forest Renewal BC's operational and investment decision-making processes. While the corporation's strategic objectives may change over time, these corporate commitments will remain constant.

Regional equity

Forest Renewal BC has made a commitment to allocate investments based on strategic priorities and opportunities for investment in a manner that equitably addresses the needs of communities in each region. Table 1 presents the 1999/00 program investments by region for each of the corporation's strategic objectives.

First Nations participation

Forest Renewal BC has made a commitment to maintain, over the term of its *Strategic Plan*, the level of First Nations participation achieved in 1997/98 and to increase the number and quality of First Nations business partnerships with the forest sector.

The level of First Nations participation in 1999/00 was 6.6 per cent of investments managed and 10.8 per cent of employment. This level of participation is slightly lower than 1997/98 levels (i.e., 7 per cent of investments managed by First Nations and 12 per cent of the people employed through Forest Renewal BC). Forest Renewal BC will be monitoring First Nations participation closely over the next four years to meet this commitment.

During 1999/00, Forest Renewal BC encouraged the development of 18 new joint ventures and 11 partnerships between First Nations and businesses operating in the forest sector. These business ventures will provide new employment and business opportunities for First Nations across the forest sector, from primary to secondary, in logging, road building, silviculture and value-added manufacturing.

Stakeholder involvement

From the beginning, Forest Renewal BC has been a partnership of stakeholders among industry, workers, First Nations, government, community and environment groups across the province working together to tackle the many challenges facing the forest sector. Forest Renewal BC has made a commitment to consult with all partner groups on investment plans

through a multi-stakeholder board of directors and its advisory groups. The membership of the board and the five advisory committees to the board are listed in Appendices B and C, respectively.

Forest Renewal BC is also committed to involve stakeholders in the delivery of its investments. The involvement of Forest Renewal BC's partners in delivering the 1999/00 investments is shown in Figure 1. Approximately $25 million was leveraged through partnerships with its stakeholders this year in the delivery of Forest Renewal BC's investments.

FIGURE 1: STAKEHOLDER INVOLVEMENT IN THE DELIVERY OF FOREST RENEWAL BC INVESTMENTS

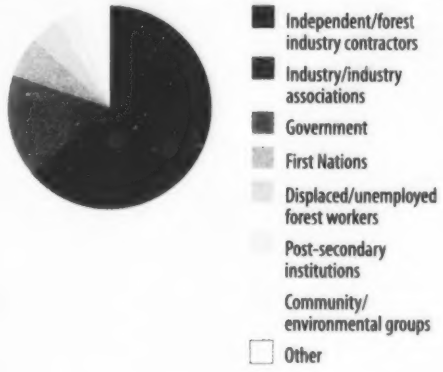
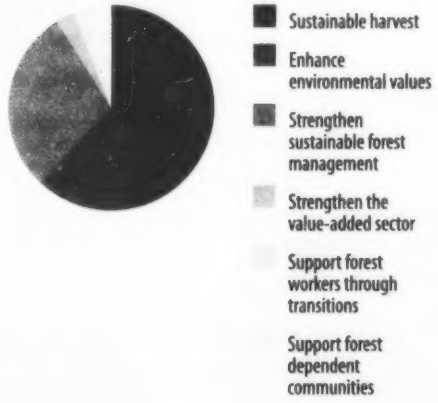


FIGURE 2: 1999/00 DIRECT SHORT-TERM EMPLOYMENT BY STRATEGIC OBJECTIVE



Employment creation

Forest Renewal BC is committed to creating and maintaining sustainable forest jobs through short-term employment on Forest Renewal BC-funded projects such as enhanced forestry and watershed restoration projects, as well as over the longer term. Long-term jobs will be created via additional and/or new products and services from British Columbia's forests and through the economic diversification of communities currently dependent on forest investments.

In 1999/00, Forest Renewal BC investments created more than 3,360 person-years of direct short-term employment. Figure 2 shows the source of this employment, organized by the corporation's strategic objectives. The first three (land-based) strategic objectives account for 92 per cent of the total. Approximately 3,200 of these person-years related to commitments under the Jobs and Timber Accord.

In addition to direct employment, Forest Renewal BC's investments create both indirect employment for people who supply services to Forest Renewal BC-funded projects, and induced employment stemming from the income expenditures of workers on those projects.

TABLE 1 ACTUAL PROGRAM INVESTMENTS IN 1999/00 BY STRATEGIC OBJECTIVE BY REGION

($Millions)	Cariboo-Chilcotin	Kootenay-Boundary	Omineca-Peace	Pacific	Skeena-Bulkley	Thompson-Okanagan	Province-wide	Total Investments	Business Plan	Variance
STRATEGIC OBJECTIVE										
SUSTAINABLE HARVEST										
Enhanced Forestry	3.11	2.14	2.33	12.44	3.82	3.90	2.31	30.05	32.11	2.06
Tree Improvement	–	–	–	–	–	–	4.08	4.08	7.10	3.02
Research – Second growth	0.12	0.01	0.36	3.04	0.25	0.15	1.66	5.59	5.32	(0.27)
Endowment	–	–	–	–	–	–	–	–	0.35	0.35
Backlog Silviculture	5.95	4.09	21.34	7.32	4.39	4.39	0.55	48.04	49.96	1.92
Small Woodlands	–	–	–	–	–	–	1.30	1.30	1.90	0.60
Research – Growing area	–	–	–	0.06	–	–	–	0.06	0.76	0.70
Performance measurement, evaluation and audit	–	–	–	–	–	–	0.77	0.77	–	(0.77)
*Watershed Restoration – Access	0.04	0.43	0.05	0.75	0.02	0.45	–	1.72	0.10	(1.62)
*Bridge Replacement	0.11	0.17	0.79	–	–	0.21	–	1.28	1.72	0.44
*Research	–	–	–	–	–	–	–	–	0.08	0.08
SUBTOTAL	9.33	6.84	24.86	23.60	8.49	9.09	10.68	92.88	99.39	6.51
ENHANCE ENVIRONMENTAL VALUES										
Watershed Restoration	2.8	3.43	3.40	24.89	3.28	5.45	2.53	45.79	46.32	0.53
Ecosystem Restoration Pilots	–	0.04	–	–	–	0.04	0.07	0.15	0.20	0.05
Research – WRP	–	0.54	0.56	1.26	0.02	0.31	0.35	3.04	2.01	(1.02)
Endowment	–	–	–	–	–	–	0.19	0.19	0.55	0.36
Private Forest Biodiversity	–	–	–	–	–	–	1.90	1.90	1.50	(0.40)
Recreation	0.23	0.04	0.34	1.40	0.20	0.24	–	2.46	3.28	0.82
Performance measurement, evaluation and audit	–	–	–	–	–	–	0.02	0.02	–	(0.02)
*Fisheries Renewal BC	–	–	–	–	–	–	7.50	7.50	7.50	–
SUBTOTAL	3.03	4.05	4.31	27.55	3.50	6.04	12.56	61.05	61.37	0.32
STRENGTHEN SUSTAINABLE FOREST MANAGEMENT										
Resource Inventory - Field	3.57	3.61	13.33	5.29	4.39	5.76	1.39	37.34	37.98	0.64
Resource Inventory - Framework	0.02	0.05	–	–	–	–	12.58	12.66	11.68	(0.98)
Research – Information and tools	0.41	0.58	1.07	3.52	0.34	0.90	0.56	7.38	8.20	0.82
Crown-land use planning	–	–	–	–	–	–	2.62	2.62	3.00	0.38
Endowment	–	–	0.16	–	–	–	0.12	0.28	0.20	(0.08)
IFPAs[1]	3.02	1.38	0.30	0.89	0.21	3.17	0.02	9.00	10.26	1.26
EFMPPs[2]	0.02	0.35	0.29	0.23	1.70	–	0.10	2.69	2.15	(0.53)
Research – New approaches	–	–	–	0.20	0.13	–	0.06	0.39	1.00	0.61
Other	–	–	0.01	–	–	–	0.14	0.15	–	(0.15)
Performance measurement, evaluation and audit	–	–	–	–	–	–	0.02	0.02	–	(0.02)
*Resources Inventory – Traditional Use Studies	–	–	–	–	–	–	2.76	2.76	2.94	0.19
*Resources Inventory – Operational requirements	0.45	0.69	0.76	1.37	0.26	0.06	–	3.59	1.75	(1.84)
*Research	–	–	0.05	0.09	0.04	0.01	–	0.19	0.42	0.23
SUBTOTAL	7.49	6.68	15.97	11.58	7.07	9.90	20.39	79.08	79.59	0.51

TABLE 1 (cont'd) ACTUAL PROGRAM INVESTMENTS IN 1999/00 BY STRATEGIC OBJECTIVE BY REGION

($Millions)	Cariboo-Chilcotin	Kootenay-Boundary	Omineca-Peace	Pacific	Skeena-Bulkley	Thompson-Okanagan	Province-wide	Total Investments	Business Plan	Variance
STRENGTHEN AND EXPAND THE VALUE-ADDED SECTOR										
Industry Infrastructure	–	0.23	0.18	0.44	–	0.14	0.64	1.64	2.10	0.46
Market Development	–	0.47	0.03	1.71	–	–	6.36	8.58	8.08	(0.50)
Technology Transfer	–	–	–	–	–	–	1.17	1.17	1.40	0.23
Innovation Development	–	–	–	–	–	–	0.77	0.77	1.00	0.23
Research	–	0.09	–	0.79	–	–	–	0.88	0.64	(0.24)
Endowment	–	–	–	–	–	–	–	–	0.23	0.23
Value-added Business Development	0.23	–	–	0.03	–	–	0.21	0.46	2.01	1.55
Value-added Training	–	1.06	–	1.78	–	–	0.88	3.72	5.47	1.75
Performance measurement, evaluation and audit	–	–	–	–	–	–	0.02	0.02	–	(0.02)
SUBTOTAL	0.23	1.85	0.21	4.76	–	0.14	10.06	17.25	20.93	3.69
SUPPORT FOREST WORKERS THROUGH TRANSITION										
Forest Worker Re-Employment Services	0.06	0.11	0.10	1.22	0.05	0.08	0.16	1.78	15.02	13.24
Forest Worker Transition	2.23	3.46	2.08	35.00	1.37	2.39	0.16	46.69	41.07	(5.62)
Performance measurement, evaluation and audit	–	–	–	–	–	–	0.03	0.03	–	(0.03)
*Sectoral Training	–	–	–	3.57	–	–	0.05	3.62	3.40	(0.22)
*Forest Resource Technology	–	0.09	0.12	0.19	0.54	–	–	0.93	1.40	0.47
*Bursary	–	–	–	–	–	–	0.11	0.11	0.20	0.09
*Research	–	–	–	–	–	–	–	–	0.14	0.14
SUBTOTAL	2.29	3.66	2.31	39.98	1.95	2.47	0.50	53.17	61.23	8.07
SUPPORT FOREST COMMUNITIES EXPERIENCING MAJOR JOB LOSS										
Forest Community Economic Development – Diversification	0.16	0.34	0.03	0.54	0.12	0.19	0.35	1.73	6.01	4.28
Research	–	–	0.16	0.12	–	–	0.04	0.31	0.10	(0.22)
Municipal Bond Fund	–	–	–	–	–	–	–	–	3.00	3.00
Forest Community Economic Development – First Nations	0.11	0.06	0.15	0.61	0.25	0.29	–	1.48	4.50	3.02
Forest Community Business	–	0.20	0.20	1.05	0.60	–	1.33	3.38	2.50	(0.88)
Performance measurement, evaluation and audit	–	–	–	–	–	–	0.04	0.04	–	(0.04)
*Forests Excellence Awards	–	–	–	–	–	–	0.13	0.13	0.20	0.07
SUBTOTAL	0.27	0.60	0.54	2.31	0.97	0.48	1.89	7.07	16.31	9.24
SUBSIDIARIES										
New Forest Opportunities Ltd.	–	–	–	2.71	–	–	–	2.71	4.02	1.31
Jobs and Timber Accord Advocate	–	–	–	1.29	–	–	–	1.29	0.50	(0.79)
SUBTOTAL	–	–	–	4.00	–	–	–	4.00	4.52	0.52
TOTAL	**22.63**	**23.68**	**48.20**	**113.80**	**21.99**	**28.12**	**56.07**	**314.50**	**343.34**	**28.84**
PROVINCE-WIDE ALLOCATION	**7.05**	**7.32**	**12.14**	**12.97**	**7.86**	**8.73**	**(56.07)**	**–**	**–**	**–**
TOTAL (includes Province-wide allocation)	**29.68**	**31.00**	**60.34**	**126.77**	**29.85**	**36.86**	**–**	**314.50**	**–**	**–**

*** Investments being phased out.**

1 Innovative Forest Practices Agreements
2 Enhanced Forest Management Pilot Projects

Corporate Strategic Objectives

As directed by its *Strategic Plan 1999-2003*, Forest Renewal BC focuses its investments to achieve six corporate strategic objectives. A seventh strategic objective guides the corporation's internal operations.

Strategic Objective 1

Sustainable harvest

Forest Renewal BC will invest in the production of faster-growing, higher-quality stands of second-growth timber.

Key Five-Year Target: *Forest Renewal BC's investments to improve timber volume will increase the timber available for potential harvest by 25 million cubic metres.*

Strategic Objective 2

Enhance environmental values

Forest Renewal BC will invest in restoring forest watersheds and in promoting environmental stewardship and strong environmental values in B.C.'s forests.

Key Five-Year Target: *Forest Renewal BC will work with its partners to complete the restoration of 20 per cent of the highest-priority watersheds that have been damaged or seriously threatened by past forest development activities.*

Strategic Objective 3

Strengthen sustainable forest management (Enhance knowledge)

Forest Renewal BC will invest in the development of relevant, useable, timely information and tools that are keyed to achieving sustainable forest management.

Key Five-Year Target: *Forest Renewal BC will work with its partners to identify key gaps in knowledge for sustainable forest management. By April 1, 2004, these key knowledge gaps will be addressed to help improve future Timber Supply Reviews and Land and Resource Management Plans.*

Strategic Objective 4

Strengthen and expand the value-added sector

Forest Renewal BC will strengthen and expand B.C.'s value-added sector through strategic investments with leading industry partners.

Key Five-Year Target: *The growth in sales for B.C. firms benefiting from Forest Renewal BC investments will be increased by an additional 10 per cent over the expected industry growth rate of 20 per cent.*

Strategic Objective 5

Support forest workers through transition

Forest Renewal BC will provide re-employment services to long-term forest-sector workers who are facing permanent displacement.

Key Target: *Forest Renewal BC's target is to have all clients who receive re-employment services assess those services as making a positive contribution to their re-employment.*

Strategic Objective 6

Support forest communities experiencing major job loss

Forest Renewal BC will provide support to forest-dependent communities that are experiencing significant forest-sector job loss, to help them stabilize and diversify their forest economies, and to increase First Nations participation in the forest sector.

Key Target: *Forest Renewal BC investments will increase forest economic diversification and forest-sector employment in more than 30 forest-dependent communities that are experiencing major job loss.*

Strategic Objective 7

Increase Forest Renewal BC's effectiveness and efficiency

Forest Renewal BC will increase its effectiveness and efficiency to optimize the impact of its investments, while maintaining low administrative costs.

Key Five-Year Target: *Annual corporate administration costs will not exceed 5 per cent of total invested dollars.*

1999/00 Performance Report

YEAR IN REVIEW

The 1999/00 fiscal year was Forest Renewal BC's first operational year of investment under its new *Strategic Plan 1999 - 2003.*

Working within the context of the new strategic plan allowed Forest Renewal BC to focus on activities that related directly to stakeholders' needs, while optimizing the return from each dollar invested. Although less revenue was available to re-invest this year than in the last two years, Forest Renewal BC and its delivery partners have been able to successfully streamline activities and produce encouraging results. Those included:

- implementing a provincial Silviculture Strategy and developing local plans to ensure that investments in the future timber supply are realized,
- implementing a provincial Value-added Strategy that focuses on the key factors required for industry growth,
- providing successful training and transition programs for displaced forest workers through the three-year Forest Worker Transition Program (including assisting participants who received unanticipated taxation on program benefits by reaching an agreement with the federal government), and the new Forest Worker Re-employment Services Program,
- improving the accessibility and relevance of community investment activities to meet new and emerging needs in forest-dependent communities,
- continuing to increase the corporation's efficiency and effectiveness by restructuring, reducing administrative costs and introducing performance measures for investments, and,
- working with the Office of the Auditor General, the Public Accounts Committee, and the Select Standing Committee on Forests, Energy, Mines and Petroleum Resources to improve Forest Renewal BC's planning and accountability frameworks.

During the first part of the year, an improvement in lumber prices led to stronger-than-forecast revenues for Forest Renewal BC, which allowed it to maintain investment levels throughout 1999/00 and into 2000/01.

1999/00 INVESTMENTS AND ACCOMPLISHMENTS

Strategic Objective 1

Sustainable harvest

Forest Renewal BC will invest in the production of faster-growing, higher-quality stands of second-growth timber.

During the 1999/00 fiscal year, Forest Renewal BC invested nearly $93 million in support of this strategic objective. The B.C. forest sector continues its transition from dependence on high-volume, high-value old-growth forest to faster-growing second-growth stands. Forest Renewal BC investments are designed to increase the productivity and value of the second-growth that will be harvested in future. Deriving more volume and more value from the available land base will lessen the immediate impacts of this transition, and allow the province to maintain a higher sustainable rate of harvest than would otherwise be possible. The results will be higher levels of sustainable natural resources and sustainable employment.

1999/00 PROGRAM INVESTMENTS ($MILLIONS)	Business Plan*	Actual
Increasing productivity and value of second growth forests		
Enhanced Forestry	32.11	30.05
Tree Improvement	7.10	4.08
Research	5.32	5.59
Endowment	0.35	–
Increasing the forest growing area		
Backlog	49.96	48.04
Small Woodlands	1.90	1.30
Research	0.76	0.06
Performance measurement, evaluation and audit		
Performance measurement, evaluation and audit	–	0.77
Investments being phased out	1.90	3.00
TOTAL	99.39	92.88
SELECTED OUTPUTS		
Employment (person-years)	1,500	1,594
Hectares treated – Enhanced Forestry	33,550	53,956
Hectares treated – Backlog	42,350	41,705
Research Studies completed	26	24

* Includes performance measurement, evaluation and audit within programs.

Progress on the Key Five-Year Target: Forest Renewal BC's key five-year target for this strategic objective is to increase the amount of timber available for future potential harvest by 25 million cubic metres (m^3). Figure 3 shows that Forest Renewal BC exceeded its 1999/00 target, which puts the corporation in a good position to meet or exceed its five-year target.

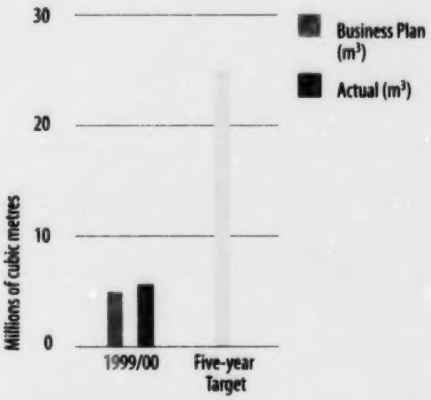


FIGURE 3: PROGRESS IN MEETING THE FIVE-YEAR CUBIC METRE TARGET

INCREASING THE PRODUCTIVITY AND VALUE OF SECOND-GROWTH FORESTS

The target for Forest Renewal BC's 1999/00 investments under this strategic objective was to increase the future timber volume by 5 million cubic metres (m^3). The $93 million invested in 1999/00 achieved an increase of 5.6 million m^3. This result puts the corporation slightly ahead of schedule and, combined with the target for 2000/01 investments of a further 5 million m^3, on track to meet its key five-year target.

This progress is the outcome of Forest Renewal BC-funded activities on nearly 54,000 hectares of enhanced forestry projects and investment on nearly 42,000 hectares of backlog reforestation work.

To increase the value of future timber, 26,000 of the 53,956 hectares received enhanced forestry treatments such as pruning, spacing and fertilizing to increase the economic value of the timber by between 5 per cent and 30 per cent.

1999/00 INVESTMENTS AND ACCOMPLISHMENTS

Strategic Objective 1

Sustainable harvest

Forest Renewal BC will invest in the production of faster-growing, higher-quality stands of second-growth timber.

During the 1999/00 fiscal year, Forest Renewal BC invested nearly $93 million in support of this strategic objective. The B.C. forest sector continues its transition from dependence on high-volume, high-value old-growth forest to faster-growing second-growth stands. Forest Renewal BC investments are designed to increase the productivity and value of the second-growth that will be harvested in future. Deriving more volume and more value from the available land base will lessen the immediate impacts of this transition, and allow the province to maintain a higher sustainable rate of harvest than would otherwise be possible. The results will be higher levels of sustainable natural resources and sustainable employment.

TABLE 2: SUSTAINABLE HARVEST

1999/00 PROGRAM INVESTMENTS ($MILLIONS)

	Business Plan*	Actual
Increasing productivity and value of second growth forests		
Enhanced Forestry	32.11	30.05
Tree Improvement	7.10	4.08
Research	5.32	5.59
Endowment	0.35	–
Increasing the forest growing area		
Backlog	49.96	48.04
Small Woodlands	1.90	1.30
Research	0.76	0.06
Performance measurement, evaluation and audit		
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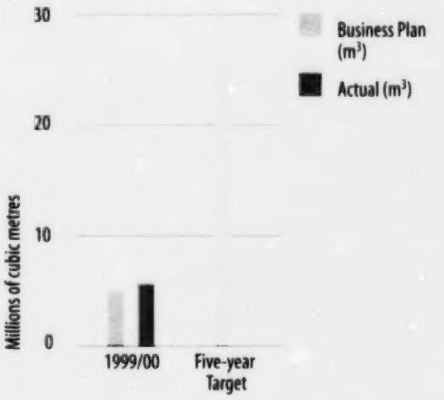

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This progress is the outcome of Forest Renewal BC-funded activities on nearly 54,000 hectares of enhanced forestry projects and investment on nearly 42,000 hectares of backlog reforestation work.

To increase the value of future timber, 26,000 of the 53,956 hectares received enhanced forestry treatments such as pruning, spacing and fertilizing to increase the economic value of the timber by between 5 per cent and 30 per cent.

Subsequent to publication of the *Business Plan 1999/00,* it was determined that an additional 22,000 hectares of young forest in the Cariboo-Chilcotin and Thompson Okanagan forest regions were infested with spruce budworm and required treatment. Aerial application offered Forest Renewal BC and its partners the most efficient and effective response for protecting not only the young forests, but the investments already made in the area by Forest Renewal BC and its partner groups.

Forest-level silviculture plans have been completed for 40 of the 71 forest management units in the province, and work is underway on the remainder. This is on track with Forest Renewal BC's target of having forest-level silviculture plans completed for all 71 forest management units by March 31, 2001. The information established in these plans is already guiding silviculture investment decisions on management units and will help maximize the effectiveness of Forest Renewal BC's investments to increase the value and productivity of second-growth stands.

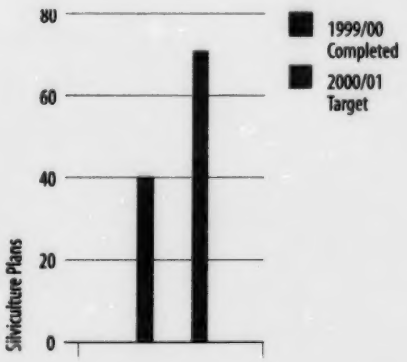

FIGURE 4: DEVELOPMENT OF FOREST LEVEL SILVICULTURE PLANS – 1999/00 COMPLETED AND 2000/01 TARGET

INCREASING THE FOREST GROWING AREA

Over the next 15 years, Forest Renewal BC is investing $250 million to reforest approximately 250,000 hectares of Crown forest land that was harvested prior to October 1, 1987. This land does not currently support commercial timber crops, and therefore does not contribute to future volumes available for harvest.

With proper reforestation, funded by Forest Renewal BC, these additional areas will provide future harvest opportunities that will allow the province to reach a higher sustainable level of harvest.

In 1999/00, 18,800 hectares of commercial forest was added back to the commercial land base through surveys and planting. The key five-year target for this measure is 25,000 hectares. Forest Renewal BC is therefore in a position to significantly exceed the intended target or to redirect investments by the third year of the strategic plan.

Strategic Objective 2

Enhance environmental values

Forest Renewal BC will invest in restoring forest watersheds and in promoting environmental stewardship and strong environmental values in B.C.'s forests.

During the 1999/00 fiscal year, Forest Renewal BC invested $61 million in support of this strategic objective. Throughout the province, restoration work was done on 323 watersheds, including 67 that supply water to communities and other domestic users.

Also during this fiscal year, strategic planning was begun to redirect the watershed restoration program to identify the highest-priority watersheds for fish habitat and domestic water supply. Those highest-priority watersheds have now been identified, and selection of the top 20 per cent of these is underway. When this is done, Forest Renewal BC will be able to tightly focus —and thereby maximize the return on—its watershed restoration investments.

As shown in Table 3, Forest Renewal BC's *Business Plan 1999/00* projected $61.37 million in investment expenditures under this strategic objective. Actual investments were very close, at $61.05 million.

Progress on the Key Five-Year Target: Forest Renewal BC's key five-year target for this strategic objective is to work with its partners to complete the restoration of 20 per cent of the highest-priority watersheds that have been damaged or seriously threatened by past forest development activities. This shifts corporate attention to the most critical areas in the province. Work that has already been started on lower-priority areas will be gradually phased-out, as these areas are brought to a stable condition.

During 1999/00, Forest Renewal BC supported the development of resource management plans to identify the watersheds in each forest region that are considered highest priority for Forest Renewal BC investments. As a result, investments will be made to complete the restoration of 250 key watersheds across the province. One hundred and fifty-four of those have already been identified.

PROTECTING AND RESTORING WATERSHEDS

One of Forest Renewal BC's cornerstone investments is in the restoration of watersheds that have been damaged by past logging practices. As explained above, the corporation supported the development of resource management plans to identify the watersheds in each forest region that are considered highest priority for its investments. At the same time, it continued to invest in riparian rehabilitation, stream restoration and road deactivation.

TABLE 3 ENHANCE ENVIRONMENTAL VALUES

1999/00 PROGRAM INVESTMENTS ($MILLIONS)

	Business Plan*	Actual
Protecting and restoring watersheds		
Watershed Restoration	46.32	45.79
Ecosystem Restoration Pilots	0.20	0.15
Research	2.01	3.04
Endowment	0.55	0.19
Increasing land area for biodiversity		
Private Forest Biodiversity	1.50	1.90
Enhancing forest stewardship values		
Recreation	3.28	2.46
Performance measurement, evaluation and audit		
Performance measurement, evaluation and audit	–	0.02
Investments being phased out	7.50	7.50
TOTAL	61.37	61.05
SELECTED OUTPUTS		
Employment (person-years)	460	531
Hectares of riparian area rehabilitated	260	279
Kilometres of road deactivated/ rehabilitated	2,300	2,909
Kilometres of streams restored[1]	820	442
Research Studies completed	11	11

* Includes performance measurement, evaluation and audit within programs.

Note: [1] The discrepancy between the *Business Plan 1999/00* and actual results was brought about by a listing of potential rather than planned work, which resulted in an overestimation of the target in one forest region (Omineca-Peace). The *Business Plan* targets were in fact met, and the planning process has been modified to reduce future opportunities for overestimation of this nature.

The Forest Renewal BC *Business Plan 1999/00* called for investments to complete 260 hectares of riparian area rehabilitation, 2,300 kilometres of road deactivation, and 820 kilometres of stream restoration. Those targets were exceeded in riparian area rehabilitation (279 hectares) and road deactivation (2,909 kilometres), and met on stream restoration (see Table 3 footnote).

INCREASING LAND AREA FOR BIODIVERSITY

This program, which is a partnership with the Nature Trust of B.C., supports the acquisition of private lands that are considered essential to conserve natural biodiversity. (see sidebar, p.16)

ENHANCING FOREST STEWARDSHIP VALUES

By working in partnership, investing in research and learning from restoration experience, watershed restoration supports the enhanced stewardship of watersheds in the future. Part of this learning experience is in sharing results, which is why Forest Renewal BC has funded the collection and publication of information about watershed restoration activities. Through partnerships with the Ministry of Environment, Lands and Parks and the Forest Engineering Research Institute of Canada (FERIC), these results have been made available to the provincial, national and international resource management community. (To access these compendia, contact dbuirinc@axion.com —for *Streamline,* which is B.C.'s watershed restoration technical bulletin—and admin@vcr.feric.ca for FERIC's *Compendium of Watershed Restoration.*)

British Columbia's recreational resources are also nationally and internationally significant. Forest Renewal BC invested more than $2 million throughout the province during 1999/00 to not only improve and develop recreational opportunities, but to meet its

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Private-forest biodiversity investment

The partnership between Forest Renewal BC and the Nature Trust of B.C. has secured critical habitat in one of Canada's three most endangered ecosystems.

With $2.5 million from Forest Renewal BC's Private Forest Biodiversity Program, the Nature Trust of B.C. is buying 640 hectares of Okanagan Falls-area ponderosa pine forests and wetlands that are valued at more than $3.6 million. (The purchase was not completed by March 31 and therefore only $1.9 million of the $2.5 million investment was expensed in 1999/00.)

Thirty-one per cent of British Columbia's threatened wildlife species are found in the area. The arid, low-elevation forests and grass-shrub ecosystems are home to two-thirds of the province's 448 bird species and 13 species of invertebrates that are found nowhere else on the planet.

Plans to consolidate the newly purchased properties and associated Crown lands into a biodiversity ranch are being developed by the Nature Trust of B.C., the agricultural community, and the Habitat Conservation Trust Fund (a provincial government program to enhance and improve fish and wildlife habitat through licence surcharges and other contributions). The goal is to integrate endangered species habitat conservation with carefully managed livestock grazing.

commitment to help displaced forest workers and their communities. More than 56 person-years of employment were created through these partnerships, which often included additional funding from partnering agencies and companies. By leveraging additional funding, Forest Renewal BC was able to put more of its investment dollars back into B.C. communities in the form of wages for displaced forest workers on recreation projects.

Strategic Objective 3

Strengthen sustainable forest management (Enhance knowledge)

Forest Renewal BC will invest in the development of relevant, useable, timely information and tools that are keyed to achieving sustainable forest management.

During 1999/00, Forest Renewal BC invested more than $79 million in support of this strategic objective. Building knowledge is essential for improving the decisions and informing the actions that will position British Columbia to fully achieve sustainable forest management. Better strategic plans and more-informed decision making are important ingredients in a sustainable management regime. Both depend on credible, reliable information.

Forest management in B.C. has undergone tremendous change over the past decade. It now involves many more stakeholders with often conflicting interests, creating complex issues in forest management decision-making and operations. The forest industry must deal with the challenges of competition and trade regulations nationally and internationally, and with the tough standards of the Forest Practices Code in B.C. On the other hand, forest-product customers and the public demand that forest management operations consider and respect a broader range of forest values and reflect sustainable management practices. To support sustainable forest management that is commercially viable, new knowledge and management tools and techniques are needed.

Forest Renewal BC's *Business Plan 1999/00* projected investment expenditures of $79.59 million under this strategic objective. As shown in Table 4, the actual investment for the year was $79.08 million.

Progress on the five-year target: Forest Renewal BC's key five-year target for this strategic objective is to identify and address key gaps in knowledge for sustainable forest management.

By April 1, 2003, key knowledge gaps will be filled to help

improve future Timber Supply Reviews and Land and Resource Management Plans.

In 1999/00, Forest Renewal BC continued to phase-out investments at the resource-development level. As per the corporation's *Strategic Plan 1999 - 2003*, the Resource Management Planning process began to identify strategic inventory needs for filling information gaps for the Timber Supply Review and specific Land and Resource Management Plans.

One of the most important deliverables under this strategic objective is information to fill gaps in knowledge, so Forest Renewal BC focused its 1999/00 investments to address gaps in inventory information. Figure 5 illustrates that actual outputs frequently exceeded those forecast in the *Business Plan 1999/00*, which were estimates based on what partner groups believed they could reasonably accomplish with available budgets and existing information. As detailed work plans were developed and implemented for each project, it was found, overall, that much more area could be inventoried than originally anticipated.

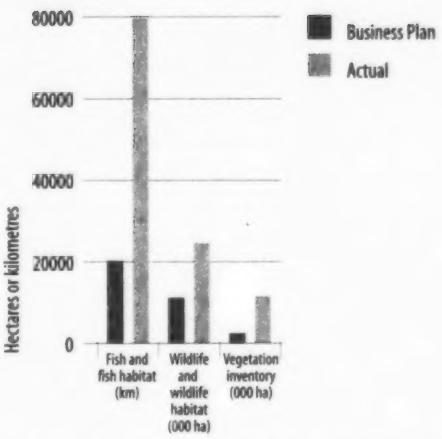

FIGURE 5: INVENTORY OUTPUTS – BUSINESS PLAN VS ACTUAL

TABLE 4 STRENGTHEN SUSTAINABLE FOREST MANAGEMENT

1999/00 PROGRAM INVESTMENTS ($MILLIONS)

	Business Plan*	Actual
Providing Information and tools		
Resource Inventory – Field	37.98	37.34
Resource Inventory – Framework	11.68	12.66
Research	8.20	7.38
Crown land-use planning	3.00	2.62
Endowment	0.20	0.28
Piloting and monitoring new approaches and tools		
Innovative Forest Practices Agreements (IFPAs)	10.26	9.00
Enhanced Forest Management Pilot Projects (EFMPPs)	2.15	2.69
Research	1.00	0.39
Other	–	0.15
Performance measurement, evaluation and audit		
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Investments being phased out	5.11	6.54
TOTAL	79.59	79.08
SELECTED OUTPUTS		
Employment (person-years)	830	967
Kilometres of fish streams inventoried	19,970	79,600
Hectares of wildlife habitat inventoried (000s)	11,050	24,500
Hectares of vegetation inventoried (000s)	2,285	11,400
Research Studies completed	49	35

* Includes performance measurement, evaluation and audit within programs.

These output measures illustrate the enormous range of Forest Renewal BC's inventory investments and the magnitude of gains in information over the fiscal year. This information moved Forest Renewal BC toward its goal under this strategic objective of filling critical resource information gaps. However, more representative measures are needed to more accurately reflect the productivity of Forest Renewal BC's inventory investments. This work is underway and will be reflected in the *Business Plan 2001/02*.

PILOTING AND MONITORING NEW APPROACHES AND TOOLS FOR STRATEGIC PLANNING AND DECISION-MAKING

One of the key performance measures for this strategic objective is the development of new tools and approaches in experimental management pilots and their consideration in strategic processes. Innovative Forest Practices Agreements (IFPA) and Enhanced Forest Management Pilot Projects (EFMPP) are the vehicles for testing new approaches.

Innovative Forest Practices Agreements (IFPAs)

Through IFPA pilots, the Ministry of Forests

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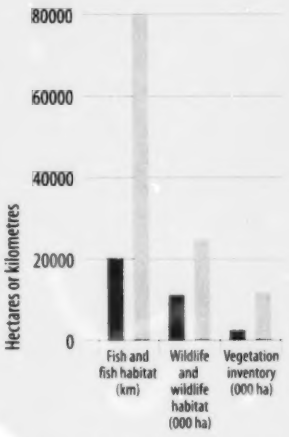

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Innovative Forest Practices Agreements (IFPAs)

Through IFPA pilots, the Ministry of Forests

Parsnip Grizzly Bear Project

For the past two years, Forest Renewal BC has funded one of its partners, the B.C. Conservation Foundation, to conduct an inventory of the grizzly bear population in the Parsnip River area.

The project involves placing radio collars on animals and monitoring their movements and activities through the seasons. The information will help researchers understand the extent of the grizzlies' range and what types of forested area they prefer as habitat.

Further monitoring will provide information about fall migration patterns and den locations. That information will be used in developing operational forestry plans, to minimize conflicts with grizzly bear populations. For example, by identifying the grizzlies' early spring feeding areas—certain moist, brushy areas on the sides of mountains that are prone to winter snow slides (commonly known as avalanche chutes) —forestry operations can be structured to avoid disturbing the bears during this critical seasonal period.

For an investment of $150,000 in 1999/00, resource managers are gaining valuable insight into the habits and needs of the grizzly bear population in north-central British Columbia.

and the forest industry are exploring ways to improve forest productivity and sustainability over the long term, as well as to increase economic benefits. Forest Renewal BC currently provides the majority of funding for IFPA pilots, which are undertaken by licensees to test innovative or new treatment regimes. Forestry plans are required for each IFPA.

The range of activities funded in 1999/00 include growth and yield and stand-level modelling, critical habitat and wildlife modelling, public consultation models, extension, and communications. Among the 1999/00 initiatives are new and innovative types of partnerships with communities, First Nations, and private landowners, the testing of new geographic information systems (GISs), and the application of new techniques to map ecosystems.

The six IFPA pilots that are now approved and operational include:

- Lignum Ltd. – Williams Lake and 100 Mile House timber supply areas
- International Forest Products Ltd. – portions of Fraser and Kamloops timber supply areas
- Merritt IFPA – Merritt timber supply area
- Arrow IFPA – Arrow timber supply area
- Lakes and Morice IFPA – covers both timber supply areas
- Vanderhoof IFPA – Vanderhoof timber supply area

Enhanced Forest Management Pilot Projects (EFMPPs)

The objective of EFMPP is to develop the potential productivity of the available forest land base within the parameters of existing land-use plans and the Forest Practices Code. Pilots are designed to develop dynamic local forest management strategies that emphasize increased timber production in suitable zones. They are also structured to explore the biological effectiveness and economic efficiency of different enhanced forest management activities, and to transfer the resulting knowledge and technology to others. Each pilot reports through a senior advisory steering committee, and uses technical advisory committees and other public involvement processes for advice. EFMPPs currently in progress include:

- Invermere (www.for.gov.bc.ca/nelson/district/invermer) (case-sensitive)
- Weyerhaeuser Canada Ltd , Tree Farm Licence 39, Block 2 (www.mbltd.com/enviro/forestry/efmpp/default.htm)

Parsnip Grizzly Bear Project

For the past two years, Forest Renewal BC has funded one of its partners, the B.C. Conservation Foundation, to conduct an inventory of the grizzly bear population in the Parsnip River area.

The project involves placing radio collars on animals and monitoring their movements and activities through the seasons. The information will help researchers understand the extent of the grizzlies' range and what types of forested area they prefer as habitat.

Further monitoring will provide information about fall migration patterns and den locations. That information will be used in developing operational forestry plans, to minimize conflicts with grizzly bear populations. For example, by identifying the grizzlies' early spring feeding areas—certain moist, brushy areas on the sides of mountains that are prone to winter snow slides (commonly known as avalanche chutes)—forestry operations can be structured to avoid disturbing the bears during this critical seasonal period.

For an investment of $150,000 in 1999/00, resource managers are gaining valuable insight into the habits and needs of the grizzly bear population in north-central British Columbia.

and the forest industry are exploring ways to improve forest productivity and sustainability over the long term, as well as to increase economic benefits. Forest Renewal BC currently provides the majority of funding for IFPA pilots, which are undertaken by licensees to test innovative or new treatment regimes. Forestry plans are required for each IFPA.

The range of activities funded in 1999/00 include growth and yield and stand-level modelling, critical habitat and wildlife modelling, public consultation models, extension, and communications. Among the 1999/00 initiatives are new and innovative types of partnerships with communities, First Nations, and private landowners, the testing of new geographic information systems (GISs), and the application of new techniques to map ecosystems.

The six IFPA pilots that are now approved and operational include:

- Lignum Ltd. – Williams Lake and 100 Mile House timber supply areas
- International Forest Products Ltd. – portions of Fraser and Kamloops timber supply areas
- Merritt IFPA – Merritt timber supply area
- Arrow IFPA – Arrow timber supply area
- Lakes and Morice IFPA – covers both timber supply areas
- Vanderhoof IFPA – Vanderhoof timber supply area

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Making a difference in Arrow

The Arrow Innovative Forestry Practices Agreement (IFPA) represents a partnership among provincial and federal government agencies, forest companies, communities, and environmental groups. Through the IFPA, these partners have committed to work together to solve complex challenges in balancing often-competing priorities among such values as water quality and long-term community economic stability.

Partnership strategies and activities are guided by a long-term forestry plan. This plan, the first one completed in the province, was approved by the Ministry of Forests in June 1999 after extensive consultation with the partners and the public. Forest Renewal BC funded the development of the plan, as well as the ongoing activities outlined in it.

The sustainability project within the IFPA is the forum where all of the partners work together to resolve problems. It represents one of the most ambitious efforts to date in the Interior to achieve a long-term, sustainable approach to forest management.

Sustainable forest management in the IFPA is guided by ecosystem-based management. This involves developing an understanding of the various ecosystems in the IFPA area and of the inter-relationship between environmental values and social and economic considerations. The goal of ecosystem management is to manage, concurrently, for economic, ecological and social values. The first step in managing for sustainability, therefore, is to define the criteria, indicators and objectives that represent success in balancing these three sets of values.

Under the IFPA, projects are being developed to describe the major components of those values, to set objectives for sustaining them over the long term, and to monitor them to ensure that the values are sustained. Projects include:

- managing for future environmental, social and employment objectives at the forest and site level through the use of computer modelling and simulation,
- using computer graphics to provide images of the future condition and appearance of forests,
- research on how human and natural factors impact on water quality and slope stability,
- surveying and working with local residents for a better understanding of their environmental, social and employment priorities, and their suggestions for balancing these values,
- improving the quality of data for forest modelling and simulation by extensively surveying wildlife populations and their habitat, including research on the impacts of human and natural events, and
- developing practical communications tools, such as websites and newsletters for the public to ensure that it can monitor progress on the initiative and contribute to its further direction.

IFPA projects are carried out by a group of specialists from the West Kootenays, the University of British Columbia, and universities in the United States and the United Kingdom. More information about this and other Arrow IFPA projects is available at www.arrow-ifpa.com

- Babine Forest Products Co. (www.babineefmpp.com)
- Robson Valley (www.for.gov.bc.ca/pgeorge/district/robson)

Strategic Objective 4

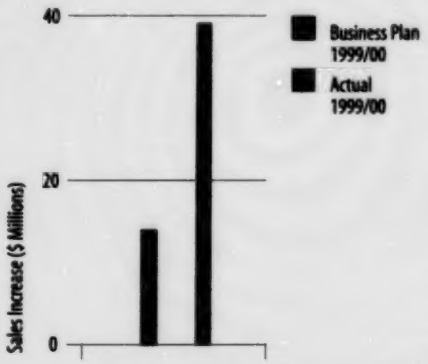
Strengthen and expand the value-added sector

Forest Renewal BC will strengthen and expand B.C.'s value-added sector through strategic investments with leading industry partners.

Value-added initiatives have tremendous potential for strengthening and diversifying B.C.'s forest economy and the economies of forest-dependent communities. Supporting the expansion of value-added manufacturing is a key element of Forest Renewal BC's vision for a new forest-sector economy.

The objective of Forest Renewal BC's Value-added Strategy is to support B.C.'s value-added wood products manufacturing sector in becoming more globally competitive, by investing in activities that improve operating efficiencies and increase sales. Forest Renewal BC's key target for this strategic objective is, over the five-year period, to help participating secondary manufacturing firms in the province increase their sales by an additional 10 per cent above expected industry growth. The corporation's 1999/00 investments have increased secondary industry sales by $39 million, which is substantially more than the first-year target of $14 million (see Figure 6).

FIGURE 6: 1999/00 SALES INCREASE – BUSINESS PLAN VS ACTUAL



As shown in Table 5, Forest Renewal BC's *Business Plan 1999/00* projected $20.9 million in investments under this strategic objective. Actual expenditures were $17.2 million, which was an increase over the previous year. The main areas of lower-than-anticipated expenditures were in business development and training, due to a greater emphasis on cost-sharing these initiatives with industry. Delivery partners were also required to measure the performance and results of their expenditures and to only invest in those projects that showed a positive return. As a result of return on investment assessments, fewer projects were initiated.

Overall, Forest Renewal BC's Value-added investments in 1999/00 resulted in:

- increased sales of wood products in domestic and export markets: a $115 million sales increase for the primary industry and a $39.2 million sales increase for the secondary industry,
- improved operating efficiencies, because of training and technology, of $9.6 million,
- more than 8,000 person-days of training,
- increased participation by the value-added sector in industry trade shows (e.g., CanAsia 2000 and Forest Expo 2000), and
- business planning and mentoring services for more than 150 small- and medium-sized manufacturing firms.

Forest Renewal BC will continue to implement a performance management framework to ensure that its investments are clearly linked to measurable sales increases or improved operating efficiencies. Guided by the five-year Value-added Strategy, Forest Renewal BC will continue consultations and annual business planning with the value-added industry to ensure that programs and investments continue to strengthen and expand the sector.

Progress on the Key Five-Year Target: As shown in Figure 7, Forest Renewal BC appears to be well on track to meet its five-year target given planned and actual sales in 1999/00. However, there may be fluctuations in annual sales increments over the next several years caused by factors beyond Forest Renewal BC's control.

IMPROVED SECTOR ORGANIZATION

In 1999/00, Forest Renewal BC provided $1.64 million to improve the coordination and communication among primary and secondary operations in the forest sector, to strengthen industry associations, and to increase public awareness of the value-added industry and its

impact on the provincial economy (e.g., Knowledge Network television series, *Made in BC*).

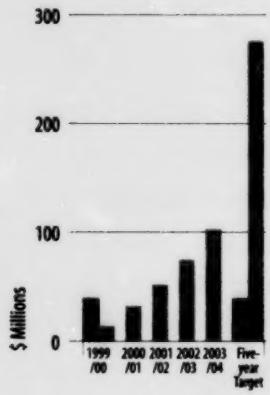


FIGURE 7: PROGRESS ON CUMULATIVE KEY FIVE-YEAR SALES TARGET

Actual ($M)

Target ($M)

1999/00 PROGRAM INVESTMENTS ($MILLIONS)

	Business Plan*	Actual
Improved sector organization		
Industry infrastructure	2.10	1.64
Increased knowledge and development of markets		
Market development	8.08	8.58
Increased application of new and existing technologies		
Technology transfer	1.40	1.17
Innovation development	1.00	0.77
Research	0.64	0.88
Endowment	0.23	–
Increased access to financing		
Value-added business development	2.01	0.46
Addressing strategic skills gaps of existing value-added workers		
Value-added training	5.47	3.72
Performance measurement, evaluation and audit		
Performance measurement, evaluation and audit	–	0.02
TOTAL	20.93	17.25
SELECTED OUTPUTS		
Number of market leads generated	1,500	1,103
Number of workers and managers with new skills	2,700	2,100
Number of firms applying new technology	50	59
Investment leveraged from commercial lenders ($millions)	7.50	0.64

* Includes performance measurement, evaluation and audit within programs.

Forest Renewal BC funding during 1999/00 helped industry associations:

- improve their ability to increase communications and co-operation between their members to address common issues and concerns,
- achieve cost-savings for their member firms, by providing information and co-ordinating activities specific to their members' needs,
- undertake joint initiatives within and between associations to develop and clarify the sector's position on issues such as the Canada/U.S. Softwood Lumber Agreement, and to speak with one voice to government and other stakeholders on issues such as fibre access and the impact of Workers' Compensation Board regulations, and
- participate in industry trade shows and undertake specific marketing initiatives to promote their members' products.

Forest Renewal BC has invested approximately $250,000 since 1998 in *Crosscut*, a quarterly value-added journal that provides a medium for the industry to communicate and exchange relevant information among sectors and with the public. Five editions of *Crosscut* have been produced, and industry/stakeholder readership is estimated at 7,000 province-wide. Since the journal was established, advertising revenues have increased steadily.

INCREASED KNOWLEDGE AND DEVELOPMENT OF MARKETS

In 1999/00, Forest Renewal BC provided $8.58 million in marketing investments to raise awareness in world markets of B.C.'s value-added industry, create more demand for B.C. wood products, and improve market access and product opportunities. As a result, the secondary wood manufacturing industry reported that

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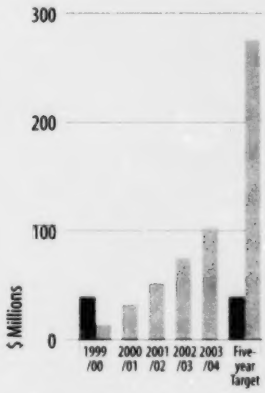

FIGURE 7: PROGRESS ON CUMULATIVE KEY FIVE-YEAR SALES TARGET

Actual ($M)

Target ($M)

TABLE 5: STRENGTHEN AND EXPAND THE VALUE ADDED SECTOR

1999/00 PROGRAM INVESTMENTS ($MILLIONS)

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Forest Renewal BC marketing investments increased sales in domestic and export markets by $39.2 million, and the primary industry reported that marketing investments increased sales by $115 million. In one example, B.C. Wood Specialties Group participated in 33 international trade shows or trade missions with 98 different B.C. companies. The result was $18 million of immediate orders for B.C.-made products.

Forest Renewal BC's marketing support during 1999/00 also helped the industry, particularly on the Coast, through the Zairai Lumber Partnership, develop new-generation building products for the Japanese traditional housing market.

INCREASED APPLICATION OF NEW AND EXISTING TECHNOLOGIES

In 1999/00, Forest Renewal BC invested $2.82 million in technical assistance and expert advice to help secondary manufacturers apply new technology to improve operating efficiencies. These investments helped companies increase their profitability through better product quality, improved productivity or fibre recovery, or by developing new manufacturing processes or diversifying product lines. The investments supported a mix of applied technology activities that will have an impact in the short term, and research and innovation activities, which will have impacts in the longer-term.

Among the approximately 60 firms that participated in these initiatives, the Forest Renewal BC investments in 1999/00 generated improved industry operating efficiencies worth approximately $3.1 million and contributed to an increase in industry sales of approximately $5 million. In one instance, a Penticton laminating firm, working with expertise from Forintek Canada, reduced the amount of glue it was using in its turning squares. By doing so, it reduced the number of defects because of glue delamination, so the quality of its laminated products was improved. It also saved money on glue.

INCREASED ACCESS TO FINANCING

Through its $0.46 million investment in business development initiatives in 1999/00, Forest Renewal BC supported business planning and mentoring services for more than 150 firms to improve the viability and competitiveness of value-added businesses in B.C. These investments leveraged more than $0.64 million in new financing and helped increase sales and improve operating efficiencies (captured in other business areas).

Expenditures were lower than expected in this business area this year, and additional effort is required. Still, there were successes during 1999/00. Among them, Forest Renewal BC support, in the amount of $12,500—with matching funds from the business—gave a Lower Mainland manufacturer the opportunity to refine its business plan, resulting in $250,000 of commercial financing to enhance its high-end door manufacturing business. Forest Renewal BC is considering a new leveraged lending program designed specifically to help value-added firms purchase fibre to increase their sales.

ADDRESSING STRATEGIC SKILLS GAPS OF EXISTING VALUE-ADDED WORKERS

In 1999/00, Forest Renewal BC invested $3.72 million to address strategic skills gaps among workers which have been identified by industry as impediments to its growth. Investments in this business area were planned at $5.47 million, but efficient management of expenditures and a later roll-out of some regional-based training programs resulted in an under-expenditure. The results—approximately 2,100 workers trained across the province—were within the expected target range. In 2000/01, the measurement in this business area will be changed from the number of actual workers trained, to person-days of training.

Third-party analyses of companies that participated in value-added training indicate that one week of production training resulted in improved operating efficiencies of at least $6,000 per year. Based on conservative estimates, 8,000 person-days of training resulted in approximately $6.5 million in improved operating efficiencies for participating B.C. value-added companies. Training

support for one Interior furniture plant resulted in labour cost savings, through productivity increases, of $16,000 in the first month alone. The company expects to see ongoing savings, a reduction in wood costs of 2.8 per cent relative to six months previously, and an incremental sales increase of 75 per cent.

Strategic Objective 5

Support forest workers through transition

Forest Renewal BC will provide re-employment services to long-term forest-sector workers who are facing permanent displacement.

Forest Renewal BC's key target for this strategic objective is to have all clients who receive re-employment services assess those services as making a positive contribution to their re-employment. The corporation's 1999/00 investments were projected to support the transition of more than 4,000 displaced workers by helping them return to work as quickly as possible.

While the forest industry experienced a significant economic recovery in early 1999, which improved forest-sector employment, Forest Renewal BC continued to provide urgent re-employment assistance, investing $48.47 million, for those workers who were permanently displaced from their forest-industry jobs due to closures and shift reductions.

Forest Renewal BC also continued to fund existing obligations to support students enrolled in three post-secondary Forest and Resource Technician diploma programs.

As shown in Table 6, Forest Renewal BC's *Business Plan 1999/00* projected $61.23 million in investment expenditures under this strategic objective. Actual expenditures were $53.17 million.

The under-expenditure was mainly a reflection of the economic recovery in the forest industry during 1999 and early 2000.

The corporation invested slightly more than originally planned in the Sectoral Training Initiatives Program, which is one of the investments being phased-out. The largest portion of the program was the final year of the pulp and paper industry's Joint Union/Management Program (JUMP). The additional investment provided a six-month extension for the JUMP program, allowing workers to complete training that was in progress.

INCREASING THE EMPLOYABILITY OF WORKERS

The Forest Worker Transition Program helped 3,832 permanently displaced forest workers complete steps in their Back-to-Work Action Plans by March 2000, with career counselling, training allowances and income support. Program investments this year were also used to provide income tax and interest relief for some 8,600 forest workers who had participated in the program between 1997 and 2000. Entry to the program closed on March 31, 1999.

The Forest Worker Re-employment Services Program, which replaces the Forest Worker Transition Program, was launched in July 1999. This new program focuses on helping permanently displaced forest workers return to work, either within or outside of the forest industry, as quickly as possible. The program connects displaced forest workers with existing resources wherever possible, and provides direct funding to clients where gaps in existing services occur. Assistance can include short-term personal or financial counselling, career counselling, relocation assistance, on-the-job training resources to help a worker secure a new job, self-employment assistance, help conducting an effective job search, and vocational training. Just 300 displaced workers accessed the program during

TABLE 6 SUPPORT FOREST WORKERS THROUGH TRANSITION

1999/00 PROGRAM INVESTMENTS ($MILLIONS)

	Business Plan*	Actual
Increasing employability of workers		
Forest Worker Re-employment Services	15.02	1.78
Forest Worker Transition	41.07	46.69
Performance measurement, evaluation and audit		
Performance measurement, evaluation and audit	–	0.03
Investments being phased out	5.14	4.66
TOTAL	61.23	53.17
SELECTED OUTPUTS		
Number of displaced workers assisted	4,000	4,132
Number of workers trained	2,585	4,332

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FIGURE 8: NUMBER OF WORKERS ASSISTED - BUSINESS PLAN VS ACTUAL

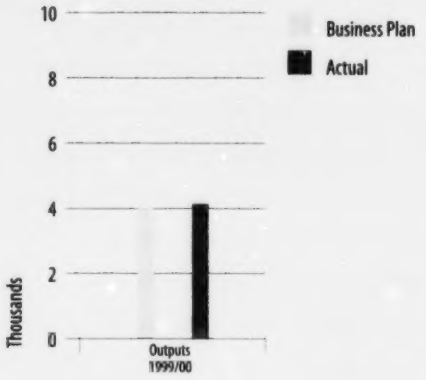
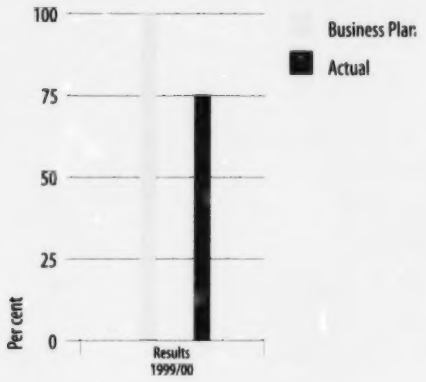


FIGURE 9: SATISFACTION OF WORKERS - BUSINESS PLAN VS ACTUAL



1999/00, which is a reflection of the improved employment environment experienced by the forest industry throughout the fiscal year.

Progress on the Key Target: A September 1999 survey of workers who had completed the Forest Worker Transition Program prior to March 31, 1999 showed that more than 80 per cent were re-employed, most in full-time, permanent employment. About half of those workers had found jobs in the forest sector. As shown in Figure 9 the majority who had accessed the Forest Renewal BC program said that they were satisfied with the services and support they had received. Similar surveys of displaced workers who participated in both programs in 1999/00 will be done to gauge client satisfaction with the programs' services and support, and to determine how well the programs assisted them in becoming re-employed. The results of these surveys will be available in early 2001.

INVESTMENTS IN TRAINING (INCLUDED IN "INVESTMENTS BEING PHASED-OUT")

Forest Renewal BC continued during 1999/00 to invest in ensuring that workers have opportunities to enhance existing skills and acquire new skills, and in helping new entrants to the forestry workforce obtain appropriate entry-level skills.

Sectoral Training Initiatives Program

In 1999/00, Forest Renewal BC contributed funding to the final year of the pulp and paper industry's Joint Union/Management Program (JUMP) program. It also extended the program end-date to ensure that training already underway could be completed. More pulp and paper workers than anticipated—a total of 4,217—took advantage of the training opportunities provided by the JUMP program. Forest Renewal BC's investments in this program made a significant contribution to the program's three year goals, which included the creation of a learning culture in the pulp and paper industry, improving basic skills in the workplace, and contributing to the productivity of the industry.

Forest and resource technology training

Forest Renewal BC continued during 1999/00 to fund extra seats in post-secondary Forest and Resource Technician diploma programs to ensure that existing students, many of whom had been displaced workers, could continue working for their diplomas. The demand for trained technicians and technologists remains high, and many new entrants and displaced workers see this field as their way of entering or re-entering the forest industry. Of the 115 trainees who started the diploma programs at the beginning of 1999/00, 86 were enrolled at the end of the fiscal year.

Strategic Objective 6

Support forest communities experiencing major job loss

Forest Renewal BC will provide support to forest-dependent communities that are experiencing significant forest-sector job loss, to help them stabilize and diversify their forest economies, and to increase First Nations' participation in the forest sector.

During the 1999/00 fiscal year, Forest Renewal BC invested more than $7 million in support of this strategic objective. Its investments continue to support and help strengthen forest-dependent communities and First Nations in their efforts to diversify their local forest economies and create new employment and business opportunities.

During 1999/00, investment partnerships were in place with more than 40 community lending institutions, 35 forest-dependent municipal groups and 40 First Nations groups. These investments have helped the groups implement community planning initiatives, and supported small business loans that have directly contributed to creating, maintaining and expanding more than 500 forest-sector businesses. As well, Forest Renewal BC investments helped First Nations and forest-dependent communities develop 41 new business joint ventures and partnerships with forest companies.

As a result of Forest Renewal BC's investment partnerships, 2,205 full-time jobs and more than 1,400 part-time jobs have been created and maintained in forest-dependent communities and First Nations throughout B.C.

Progress on the Key Target: As shown in Table 7, Forest Renewal BC's *Business Plan 1999/00* projected $16.31 million in investment expenditures under this strategic objective. Actual investment levels for this fiscal year were less than projected for several reasons. The forest economy exhibited greater stability; world demand for forest products boosted exports; and community economies were moderately stronger as a result of transition and mitigation strategies that have diversified community dependence on primary activities. In addition, there were also no major mill closures or requests by communities in crises for Forest Renewal BC emergency response funding during this fiscal year. These factors have all contributed to the greater economic stability of forest-dependent communities.

Forest Renewal BC investments continue to leverage additional funds for community projects from other sources, and investments during this fiscal year brought in an additional $16 million from other sources. These funds increased the amount of capital available to communities and helped accelerate implementation of diversification projects, putting Forest Renewal BC ahead of its selected performance targets for the year. The increase over projections in jobs and businesses targets can also be attributed to Forest Renewal BC's commitment, since 1996, to invest in community projects that after years of planning and development have now reached implementation and, as a result, are creating new jobs and businesses in B.C. communities.

Forest worker transitions

With help from Forest Renewal BC, more than 4,100 forest workers made employment transitions during 1999/00.

Examples include:

- After training, a displaced forest worker on Vancouver Island is now working as an insurance adjuster.
- A former washer operator at a mill in the Skeena-Bulkley region took training as an aircraft maintenance engineer and is now working as a helicopter maintenance mechanic for the Canadian Coast Guard.
- Two days after graduating from her professional cook training program, a former tree sorter at a nursery in the Omineca-Peace region was offered a job managing a bakery.
- A former processor operator at a mill in the Central Interior took self-employment training to become a meat cutter and now owns and operates his own retail meat outlet.
- A displaced forest worker from the Lower Mainland completed a helicopter flight training program, and is now a pilot with a major commuter helicopter company.

INCREASING FOREST COMMUNITY DIVERSIFICATION

Over the past five years, Forest Renewal BC has maintained its multi-year funding commitment to long-term strategic planning and implementing of projects by forest-dependent B.C. communities. This has helped communities to

During 1999/00, investment partnerships were in place with more than 40 community lending institutions, 35 forest-dependent municipal groups and 40 First Nations groups. These investments have helped the groups implement community planning initiatives, and supported small business loans that have directly contributed to creating, maintaining and expanding more than 500 forest-sector businesses. As well, Forest Renewal BC investments helped First Nations and forest-dependent communities develop 41 new business joint ventures and partnerships with forest companies.

As a result of Forest Renewal BC's investment partnerships, 2,205 full-time jobs and more than 1,400 part-time jobs have been created and maintained in forest-dependent communities and First Nations throughout B.C.

Progress on the Key Target: As shown in Table 7, Forest Renewal BC's *Business Plan 1999/00* projected $16.31 million in investment expenditures under this strategic objective. Actual investment levels for this fiscal year were less than projected for several reasons. The forest economy exhibited greater stability; world demand for forest products boosted exports; and community economies were moderately stronger as a result of transition and mitigation strategies that have diversified community dependence on primary activities. In addition, there were also no major mill closures or requests by communities in crises for Forest Renewal BC emergency response funding during this fiscal year. These factors have all contributed to the greater economic stability of forest-dependent communities.

Forest Renewal BC investments continue to leverage additional funds for community projects from other sources, and investments during this fiscal year brought in an additional $16 million from other sources. These funds increased the amount of capital available to communities and helped accelerate implementation of diversification projects, putting Forest Renewal BC ahead of its selected performance targets for the year. The increase over projections in jobs and businesses targets can also be attributed to Forest Renewal BC's commitment, since 1996, to invest in community projects that after years of planning and development have now reached implementation and, as a result, are creating new jobs and businesses in B.C. communities.

Forest worker transitions

With help from Forest Renewal BC, more than 4,100 forest workers made employment transitions during 1999/00.

Examples include:

- After training, a displaced forest worker on Vancouver Island is now working as an insurance adjuster.
- A former washer operator at a mill in the Skeena-Bulkley region took training as an aircraft maintenance engineer and is now working as a helicopter maintenance mechanic for the Canadian Coast Guard.
- Two days after graduating from her professional cook training program, a former tree sorter at a nursery in the Omineca-Peace region was offered a job managing a bakery.
- A former processor operator at a mill in the Central Interior took self-employment training to become a meat cutter and now owns and operates his own retail meat outlet.
- A displaced forest worker from the Lower Mainland completed a helicopter flight training program, and is now a pilot with a major commuter helicopter company.

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JUMP successes

"Without JUMP, I probably would not have had the initiative to go back to studying. It has really changed my life. It has set me off in a whole new direction, and I'm doing really well."

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"[JUMP] has increased my self-confidence, self-esteem, self-respect and entire outlook. I feel this was accomplished in two ways: one, in giving me an opportunity to learn new skills and ideas in a very supportive environment, and two, by allowing me real input into how we were going to meet our goals. This truly has been a learning experience."

–Jim Dixon, JUMP Co-ordinator

diversify and lessen their dependence on the primary sector of the forest economy. It has also contributed to the stability of those communities by helping create new businesses and jobs.

Forest Community Economic Development Program

Investments under this program support forest-dependent communities and First Nations throughout British Columbia that have been organized into regional groups with a mandate to revitalize their local forest economies.

Since 1996, Forest Renewal BC has invested in more than 150 forest-sector strategic plans, mitigation strategies and action plans to help forest-dependent communities, regional economic groups, and First Nations explore and develop new business opportunities that will diversify their local forest economies. These plans and strategies are now being implemented with Forest Renewal BC investments and leveraged funds from other sources.

This year, Forest Renewal BC directly funded 75 forest community groups, of which 35 were municipal and 40 were First Nations. These investments benefited more than 100 forest-dependent communities and 120 First Nations communities province-wide and supported the implementation of hundreds of community economic development projects within the forest sector.

Investments under the Forest Community Economic Development Program in 1999/00 helped create, maintain and expand 286 forest-sector businesses in forest-dependent and First Nations communities throughout the province. The number of businesses assisted exceeded target projections for this year, partly as a result of increased activity in partnership and joint-venture business agreements among communities, First Nations and industry and a healthier business climate in the forest sector. As a consequence, 137 full-time jobs were created, and 472 full-time jobs were maintained among B.C.'s forest-dependent communities.

TABLE 7 SUPPORT FOREST COMMUNITIES EXPERIENCING MAJOR JOB LOSS

1999/00 PROGRAM INVESTMENTS ($MILLIONS)

	Business Plan*	Actual
Increasing forest community diversification		
Forest Community Economic Development	6.01	1.73
Research	0.10	0.31
Municipal Bond Fund	3.00	–
Increasing the participation of First Nations		
Forest Community Economic Development	4.50	1.48
Increasing the financial capacity of communities		
Forest Community Business Program	2.50	3.38
Performance measurement, evaluation and audit		
Performance measurement, evaluation and audit	–	0.04
Investments being phased out	0.20	0.13
TOTAL	16.31	7.07
SELECTED OUTPUTS		
Number of projects completed	100	115
Number of communities assisted	30	35
Number of businesses assisted	150	503
Number of partnerships/joint ventures started	25	41
Additional dollars leveraged ($millions)	16.00	16.11

* Includes performance measurement, evaluation and audit within programs.

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INCREASING THE PARTICIPATION OF FIRST NATIONS

In addition to Forest Renewal BC programs that support the efforts of First Nations to increase their level of activity and participation in the forest economy, the corporation encourages the development of joint ventures and partnerships between First Nations and forest-sector businesses. These arrangements promote a collaborative approach to dealing with access to resource issues, bringing benefits to all parties.

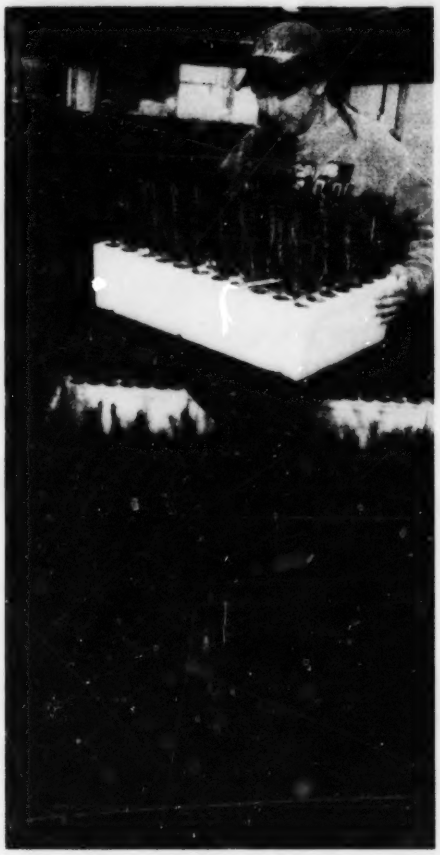
This year, Forest Renewal BC investments helped create 11 partnerships and 18 joint ventures between First Nations and forest-sector companies. These, in turn, create new employment and business opportunities in all communities in the province's forest sector, from primary and secondary processing and logging to road building, silviculture, and value-added manufacturing. Forest Renewal BC investments in First Nations communities created 204 new full-time jobs and maintained 164 full-time jobs in the forest sector.

Forest Renewal BC's commitment to increasing the participation of First Nations in the forest sector has created some unique partnership arrangements. One collaboration, with industry, First Nations and other government agencies, supports training for First Nations students from across the province in the First Nations Forest Technology Program at the Nicola Valley Institute of Technology in Merritt. This Forest Renewal BC investment helps First Nation students who are interested in pursuing a vocation in forestry and earning their diploma as forest technicians. Many students return home to work with their communities and with forest-sector companies.

INCREASING THE FINANCING CAPACITY OF COMMUNITIES

Loan programs are vital to the stability and diversification of communities as entrepreneurs start new businesses and create new forest-sector jobs. Forest Renewal BC's loan programs are structured to help create and maintain jobs in forest-sector businesses and communities that have supported B.C. families in forest-dependent communities for many years. Its funding provides increased access to financing for forest-sector businesses and community projects through the Forest Community Business Programs.

Forest Renewal BC is also able to contribute to local government projects that diversify the forest economy by attracting new investment and infrastructure support in the forest sector. Financing for eligible projects is available through the Municipal Finance Authority of B.C.



Forest Community Business Program

Investments under this program support new and expanding forest-sector businesses in forest-dependent communities. The program complements Forest Renewals BC's multi-year commitment to strategic planning with forest-dependent communities and First Nations by providing business loans for eligible forest-sector small business opportunities identified in the planning process.

New business opportunities are identified in the value-added planning phase of the strategic

planning process and presented to the community through newsletters and community meetings. Interested entrepreneurs work with approved delivery partners to develop a business plan and apply for loan funds.

Forest Renewal BC has created partnerships with lending institutions around the province to provide better access for small businesses to loans at the community level, and to increase the amount of capital that is available in local revolving loan funds for these forest-sector business opportunities. Partnerships with more than 40 community lending institutions—including Community Futures Development Corporations, Aboriginal Capital Corporations, the Business Development Bank of Canada, and several provincial credit unions—has created a revolving loan program that is now capitalized at more than $33 million. Forest Renewal BC's investments with local lenders are matched investments: approximately $16 million of the loan capital has been leveraged from local community lending institutions.

During 1999/00, community-based lending partners approved 217 small-business loans valued at almost $10 million. These loans helped create and maintain 1,122 jobs in forest-dependent communities and 106 in First Nations communities. The increase in loan activity over the previous year can be attributed in part to a healthier forest economy and to greater entrepreneurial opportunity as a result of increased activity in the value-added sector. Since the beginning of the revolving-loan program in mid-1996, more than 900 small-business loans, totalling almost $40 million, have been granted. These funds have created and maintained approximately 6,000 jobs in the forest sector, supporting the forest-dependent and First Nations communities of B.C.

Strategic Objective 7

Increase Forest Renewal BC's effectiveness and efficiency

Forest Renewal BC will increase its effectiveness and efficiency to optimize the impact of its investments, while maintaining low administrative costs.

The final strategic objective involves improving Forest Renewal BC's business practices to ensure that every dollar the corporation invests is strategically effective and efficient. During 1999/00, Forest Renewal BC continued to restructure, streamline processes, and focus staff on results.

In February 1999, the corporation announced a significant restructuring, from a program-delivery agency to a smaller, more strategically focused investment agency. It completed the structural changes during 1999/00, including a change in the functions of the regional offices and a reduction of full-time staff, from 115 at the start of the year to 93 by March 31, 2000. Over the course of the year, the average staff complement was 105.

At the same time, work continued to implement the new performance-based management system. Training sessions were held with staff on performance-based management and business-area investment strategies. Performance measures were refined, regular business reviews were initiated in the regions to monitor operational performance, and a corporate effectiveness and efficiency scorecard was developed for staff to track progress. As well, contract performance

TABLE 8 CORPORATE ADMINISTRATION SUMMARY

($Millions)	Business Plan	Actual
Chair, Board, Committees and Executive Officer	1.1	0.9
Forest Resources and Environment	3.8	3.2
Communities and Workforce	1.5	1.3
Value-added	0.8	0.8
Administration	1.0	0.9
Finance and Systems	1.9	1.5
Corporate Planning and Evaluation	0.6	0.6
Communications	1.8	1.4
Corporate Services	4.5	4.2
TOTAL	17.0	14.8
STAFF	115	105
Restructuring costs	2.0	1.2
Subsidiaries administration	–	1.0

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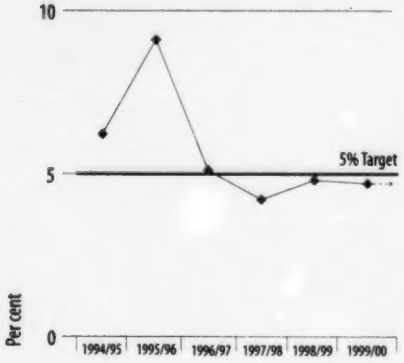


FIGURE 10: FOREST RENEWAL BC ADMINISTRATION AS A PERCENTAGE OF PROGRAM EXPENDITURES

audits and an internal audit program were undertaken to identify areas where funding-agreement management practices could be improved.

Key performance targets: Administrative efficiency and partner satisfaction with Forest Renewal BC's performance are two key corporate indicators of performance.

Administrative efficiency: The target is for annual corporate administration costs to not exceed 5 per cent of program investment dollars. This target was achieved in 1999/00 (see Figure 10).

Partner satisfaction with Forest Renewal BC's performance: The target is to maintain or increase overall client satisfaction levels with Forest Renewal BC's performance.

The first annual partner satisfaction survey was conducted during June and July 2000. Four hundred and seventeen surveys were completed by partners, including board and board advisory committee members, participants in various investment planning processes, and partners involved in managing or implementing investment projects. This represents a valid response rate of 81.8 per cent. (The sampling error associated with the survey results is less than 5 per cent at a 95 per cent confidence level.)

The survey measured Forest Renewal BC's partner involvement with and understanding and assessment of the corporation's efficiency and the effectiveness of its investments. Six distinct indices, based on a scale of 1 (very dissatisfied) to 3 (neutral) to 5 (very satisfied) were developed for each of the following areas:

- support of sustainable forest management,
- regional equity and stakeholder participation,
- program/service accessibility,
- administration of services/programs,
- investment management, and
- overall performance and quality of services provided.

An overall satisfaction index score of 3.23 was generated from these six indices (see Figure 11). This score will serve as a 1999/00 baseline against which results from future annual surveys will be compared.

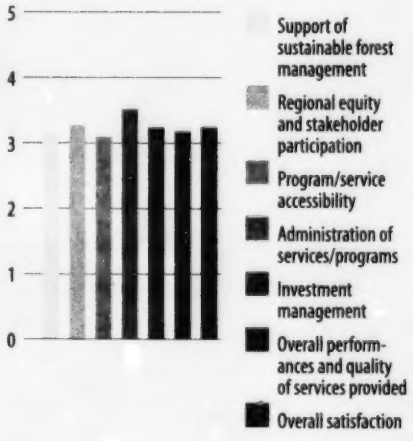


FIGURE 11: 1999/00 PARTNER SATISFACTION SURVEY RESULTS

CREATING EMPLOYMENT

Forest Renewal BC is committed to creating and maintaining sustainable forest jobs. This commitment is visible in the short term through employment on Forest Renewal BC-funded projects, such as enhanced forestry and watershed restoration. It is also visible in the longer term, through investments that help create additional or new products and services from British Columbia's forests and help forest-dependent communities diversify their economies.

In addition to creating direct employment on these projects, Forest Renewal BC's investments create both indirect employment for businesses that supply services to these projects, and induced employment from the income expenditures of workers on these projects.

DIRECT SHORT-TERM EMPLOYMENT

In 1999/00, Forest Renewal BC created more than 3,360 person-years of direct short-term employment. This total is 9 per cent more than the target of just under 3,100. As shown in Figure 13, this 1999/00 total compares with 4,955 person-years in 1998/99. This 32 per cent reduction in employment is largely accounted for by the same level of reduction in program expenditures, plus a small reduction resulting from reduced program demand and administrative streamlining under Strategic Objectives 5 and 6. (Planned versus actual employment is shown for each of the strategic objectives in Figure 12.)

Of the total of 3,360 person years of direct short-term employment created in 1999/00, some 3,200 formed part of Forest Renewal BC's commitment under the Jobs and Timber Accord. This is 14 per cent more than was projected in the *Business Plan 1999/00* and is consistent with the increase in the actual land-based employment compared with the planned figures noted above.

DIRECT LONG-TERM EMPLOYMENT

At present, Forest Renewal BC is able to report direct long-term employment under Strategic Objectives 1 and 6. The corporation continues to develop estimators for the other four externally focussed strategic objectives.

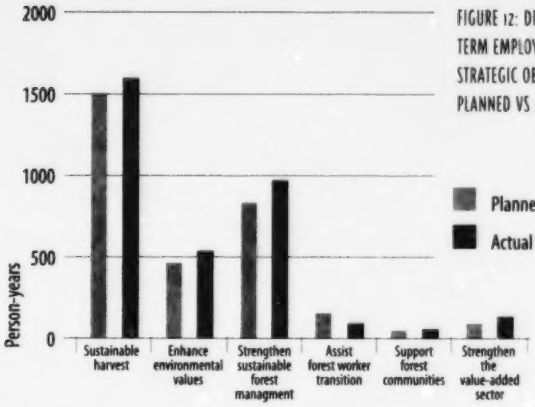


FIGURE 12: DIRECT, SHORT TERM EMPLOYMENT BY STRATEGIC OBJECTIVE – PLANNED VS ACTUAL

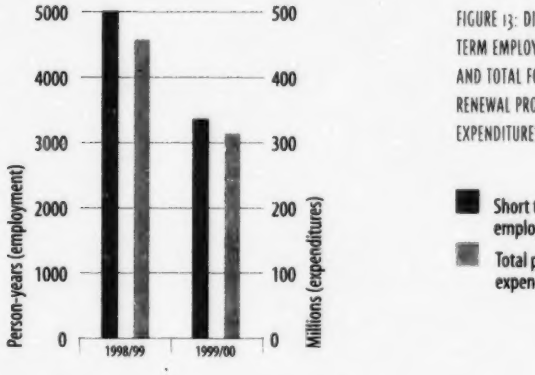


FIGURE 13: DIRECT SHORT TERM EMPLOYMENT (PYS) AND TOTAL FOREST RENEWAL PROGRAM EXPENDITURES ($M)

SUSTAINABLE HARVEST

As reported under Strategic Objective 1, silviculture treatments in 1999/00 are expected to help create 5.6 million cubic metres (m^3) of additional timber supply available for future harvest. As a consequence—and depending on when the timber is harvested on the treated or adjacent blocks—that same investment is expected to create some 5,600 person-years of direct employment between 2010 and 2060.

SUPPORTING FOREST COMMUNITIES EXPERIENCING MAJOR JOB LOSS

Investments under the Forest Community Economic Development Program contributed to the creation and maintenance of 977 full-time and 458 part-time jobs in the forest sector for B.C.'s forest-dependent and First Nations communities. Small business loans under the Forest Community Business Program created and maintained a further 1,228 full-time and 974 part-time jobs. These results represent an increase over previous years in the number of jobs created and maintained per dollar invested. This increase can be attributed to a greater-than-anticipated uptake of business loans under the Forest Community Business Program (i.e., almost $10 million) and a substantial increase in funds leveraged for community projects from other sources (more than $16 million).

TABLE 9 JOBS GENERATED

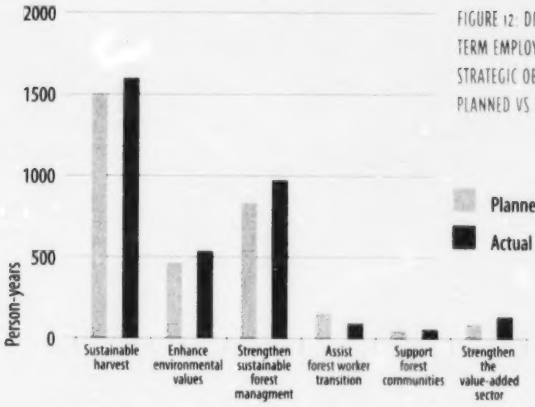
BY FOREST RENEWAL BC INVESTMENTS UNDER STRATEGIC OBJECTIVE 6, COMMUNITIES PROGRAMS – 1999/00

Job type	Created and Maintained
Full-time	2,205
Part-time	1,432
TOTAL	3,637

INDIRECT AND INDUCED EMPLOYMENT

Estimates of indirect and induced employment are only available for Strategic Objective 1 at this stage. In the short term, it is estimated that 533 person-years of indirect and induced employment have been created by the direct short-term employment funded by Forest Renewal BC under this objective.

In the long term, based on the estimated 5.6 million m^3 of additional fibre resulting from 1999/00 silviculture investments, it is expected that 5,100 person-years of indirect and induced employment will result between 2010 and 2060.



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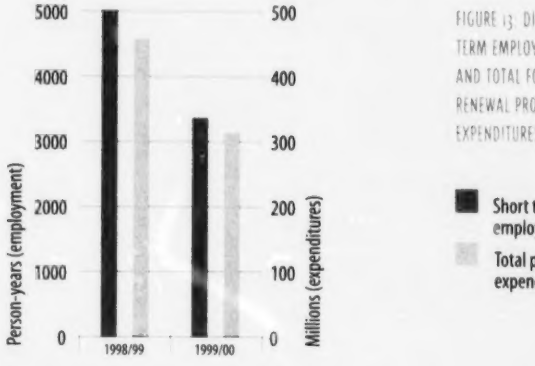

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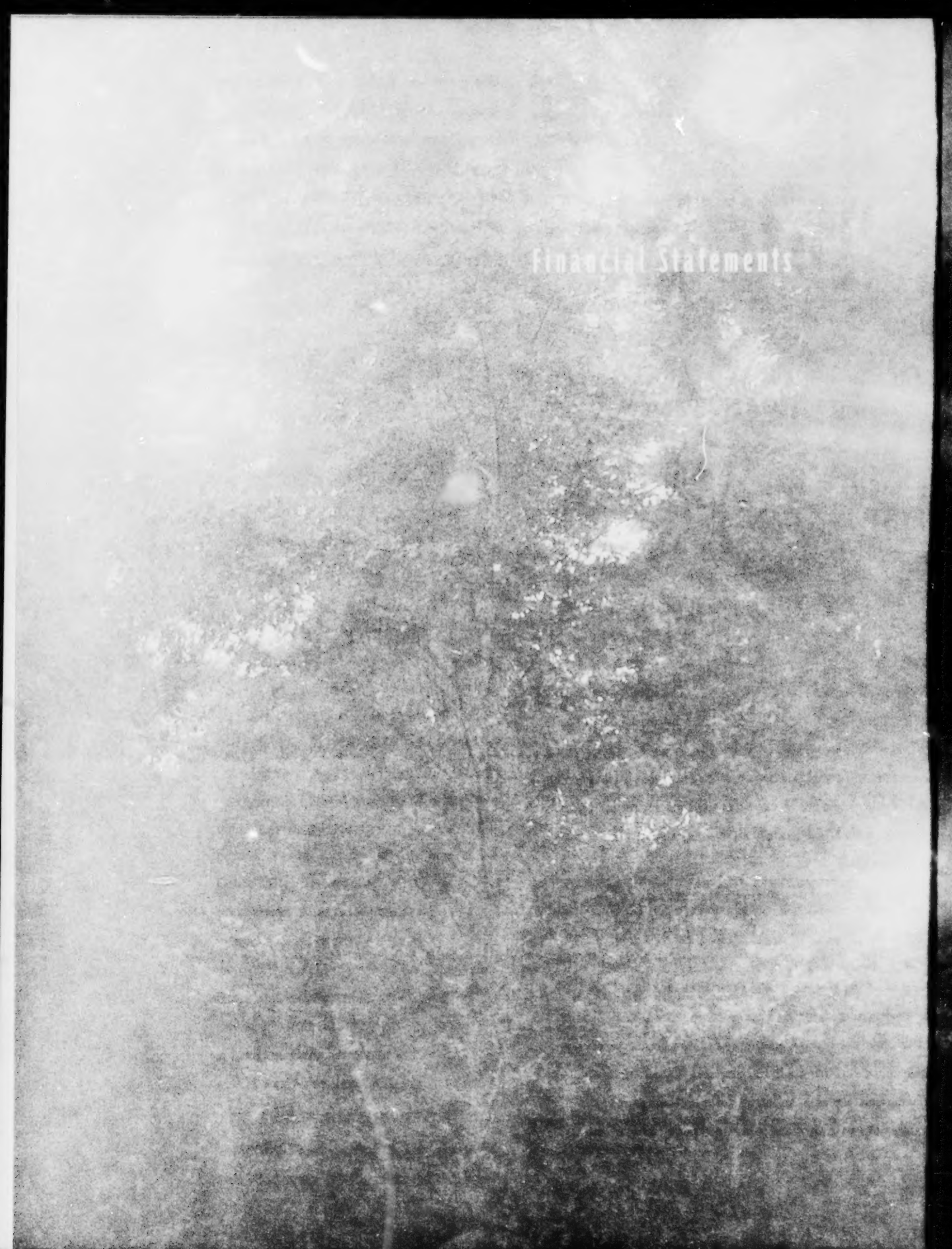

Financial Statements

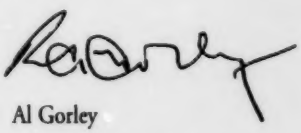
MANAGEMENT REPORT

The consolidated financial statements of Forest Renewal BC for the year ended March 31, 2000 have been prepared by management in accordance with generally accepted accounting principles for not-for-profit organizations. These consolidated financial statements present fairly the consolidated financial position of the Corporation as at March 31, 2000, and the results of operations and changes in cash flows for the year then ended.

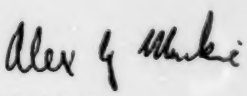
Management is responsible for the preparation of the financial statements and has established a system of internal control to provide reasonable assurance that assets are safeguarded, transactions are properly authorized, and financial records provide reliable information for the preparation of financial statements.

The Board of Directors carries out its responsibility for the review of the financial statements through its Audit Committee. The Committee meets with management and the external auditor to discuss the results of audit examinations and financial reporting matters. The external auditor has full access to the Audit Committee, with and without the presence of management.

The Auditor General of British Columbia has performed an independent audit of the consolidated financial statements of Forest Renewal BC. The Auditor's report outlines the scope of his examination and expresses an opinion on the statements.



Al Gorley
Chief Operating Officer



Alex Mackie
Controller
June 28, 2000

REPORT OF THE AUDITOR GENERAL OF BRITISH COLUMBIA

To the Members of the Board of Directors
of Forest Renewal BC, and

To the Minister of Forests,
Province of British Columbia:

I have audited the consolidated statement of financial position of *Forest Renewal BC* as at March 31, 2000 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of *Forest Renewal BC* as at March 31, 2000 and the results of its operations and the changes in its net assets and cash flows for the year then ended in accordance with generally accepted accounting principles.

Wayne Strelioff

Wayne Strelioff, CA
Auditor General
Victoria, British Columbia
June 28, 2000

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2000

ASSETS	2000 ($000)	1999 ($000)
Current assets		
Cash and short term investments (Note 3)	307,399	447,945
Due from province of British Columbia	209,256	85,805
Accountable advances	34,643	15,680
Prepaid expenses	54	85
	551,352	549,515
Long term investments (Note 4)	23,705	14,500
Capital assets (Note 5)	1,578	1,816
	576,635	565,831
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	2,500	11,832
Project expenditures payable	74,129	55,175
	76,629	67,007
Net assets		
Reserve for program continuity (Note 7)	400,000	400,000
Reserve for finance purposes (Note 8)	31,600	16,600
Reserve for multi-year agreements (Note 9)	24,897	22,150
	456,497	438,750
Unappropriated	43,509	60,074
	500,006	498,824
	576,635	565,831
Commitments (Note 12)		
Contingent liabilities (Note 13)		

The accompanying notes are an integral part of these financial statements.

Approved by the Board of Directors

Garry Merkel, Director

Roger Stanyer, Director

CONSOLIDATED STATEMENT OF OPERATIONS

For the Year Ended March 31, 2000

	2000	1999
REVENUES	($000)	($000)
Statutory forest revenue	301,516	177,439
Investment and other income	31,236	45,270
	332,752	222,709
EXPENDITURES		
Program expenditures (Schedule 1)	314,495	463,186
Administration (Note 6)	17,075	24,131
	331,570	487,317
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,182	(264,608)

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

For the Year Ended March 31, 2000

	Reserve for Program Continuity (Note 7) ($000)	Reserve for Finance Purposes (Note 8) ($000)	Reserve for Multi-Year Agreements (Note 9) ($000)	Unappropriated ($000)	Total 2000 ($000)	Total 1999 ($000)
Balance, beginning of year	400,000	16,600	22,150	60,074	498,824	763,432
Excess (deficiency) of revenues over expenditures	0	0	(133,203)	134,385	1,182	(264,608)
Transfers to (from) reserves	0	15,000	135,950	(150,950)	0	0
BALANCE, END OF YEAR	400,000	31,600	24,897	43,509	500,006	498,824

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended March 31, 2000

	2000 ($000)	1999 ($000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from statutory forest revenue	178,065	276,821
Cash received from investment income	31,236	45,270
Cash paid for program expenditures	(314,386)	(582,743)
Cash paid for administrative expenditures	(25,786)	(25,162)
	(130,871)	(285,814)
CASH FLOWS FROM INVESTING ACTIVITIES		
Long term investment	(9,205)	(4,500)
Acquisition of capital assets	(470)	(1,728)
	(9,675)	(6,228)
DECREASE IN CASH AND EQUIVALENTS	(140,546)	(292,042)
CASH AND EQUIVALENTS, BEGINNING OF THE YEAR	447,945	739,987
CASH AND EQUIVALENTS, END OF THE YEAR	307,399	447,945

The accompanying notes are an integral part of these financial statements.

SCHEDULE OF PROGRAM EXPENDITURES BY REGION AND ACTIVITY AREA (SCHEDULE 1)

For the Year Ended March 31, 2000

REGION	Land and Resources	Environment	Workforce	Communities	Value-added	2000 TOTAL	1999 TOTAL
	($000)	($000)	($000)	($000)	($000)	($000)	($000)
Cariboo-Chilcotin	16,464	8,653	2,471	332	1,756	29,676	46,831
Thompson-Okanagan	17,802	13,678	2,652	1,055	1,668	36,855	55,528
Kootenay-Boundary	11,430	11,546	4,915	788	2,321	31,000	45,795
Omineca-Peace	39,074	16,418	2,496	616	1,740	60,344	82,455
Skeena-Bulkley	14,165	10,625	2,132	1,398	1,530	29,850	45,406
Pacific	37,125	36,030	46,226	2,880	4,509	126,770	187,171
2000 TOTAL	136,060	96,950	60,892	7,069	13,524	314,495	–
1999 TOTAL	223,931	141,773	75,900	9,632	11,950	–	463,186

ACTIVITY AREA OBJECTIVES

Land and Resources – to increase investment in the forest resource and in the forest land base.

Environment – to invest in the environmental values of the forests.

Workforce – to foster forest employment opportunities and job training, and other related initiatives, to assist forest workers and to expand the forest workforce.

Communities – to support community development and adjustment.

Value-added – to promote activities that assist

i) forest industry diversification,

ii) the further processing of the wood supply, and

iii) increased manufacturing of wood products.

The accompanying notes are an integral part of these financial statements.

1. THE CORPORATION

Forest Renewal BC, a Crown corporation, was incorporated under the *Forest Renewal Act* on June 2, 1994. The purpose of Forest Renewal BC is to renew the forest economy of British Columbia, enhance the productive capacity and environmental value of forest lands, create jobs, provide training for forest workers and strengthen communities.

Under the *Forest Renewal Act,* Forest Renewal BC is entitled to 80% of the increases in stumpage and royalty revenue attributable to changes in rates or stumpage fees under the *Forest Act* that have been implemented since April 30, 1994, less an annual offset of up to $50 million. Effective June 1, 1998, the percentage of revenue received by Forest Renewal BC varies based on a new pricing structure.

The Corporation is exempt from federal and provincial income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

Consolidated Financial Statements are prepared in accordance with generally accepted accounting principles for not-for-profit organizations and include the assets, liabilities, revenues and expenditures of Forest Renewal BC and its 100% owned subsidiaries, New Forest Opportunities Ltd. and Office of the Jobs and Timber Accord Advocate Inc., formerly 561763 B.C. Ltd.

New Forest Opportunities Ltd. was incorporated on November 19, 1997. New Forest Opportunities Ltd. was established as a forest worker agency to assist Pacific Region forest workers who are being displaced during the current transition in the forest sector. New Forest Opportunities Ltd. assesses eligible workers, equips them with new skills and gives them priority placement for work on Forest Renewal BC land-based projects.

Office of the Jobs and Timber Accord Advocate Inc. was incorporated on March 24, 1998 and commenced operations April 1, 1998. The company was established to monitor the effectiveness of the Jobs and Timber Accord and ensure its timely implementation, monitor ongoing efforts to maintain and increase the employment base of the B.C. forest industry, and enforce the provisions of the Accord to ensure a high degree of compliance.

Short Term Investments are carried at the lower of cost and market value.

Capital Assets are recorded at cost and are amortized on a straight-line basis over their estimated useful lives. Assets costing less than $5,000 are expensed in the year purchased. Capital assets are amortized on the straight-line basis over their estimated useful lives as follows:

Building and leasehold improvements	20 years
Automobiles	5 years
Computer hardware	3 to 5 years
Computer software	3 to 5 years
Office equipment	2 years

Revenue from stumpage and royalties is recognized for all timber scaled in the fiscal year.

Use of Estimates. The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the year. Actual results could differ from these estimates.

3. CASH AND SHORT-TERM INVESTMENTS ($000)

	2000 Cost	2000 Market Value	1999 Cost	1999 Market Value
Cash	14,697	14,697	7,647	7,647
Term deposits	22,466	22,466	22,490	22,490
Investments – Provincial Treasury	270,236	276,912	417,808	426,226
TOTAL	307,399	314,075	447,945	456,363

4. LONG-TERM INVESTMENTS ($000)

	2000	1999
Deposit in pooled investment fund as loan assistance for infrastructure projects. Interest paid quarterly. Repayable March 31, 2008.		
Municipal Finance Authority of British Columbia	10,000	10,000
Deposits in managed investment funds – Income earned up to specified maximums can be used by the universities for endowment program expenditures. Repayable March 15, 2029 to 2031.		
University of British Columbia	4,500	4,500
University of Northern BC	5,805	-
Simon Fraser University	3,400	-
TOTAL	23,705	14,500

5. CAPITAL ASSETS ($000)

	Cost	Accumulated Amortization	2000 NBV	1999 NBV
Building	867	87	780	824
Leasehold improvements	148	21	127	65
Automobiles	134	37	97	136
Computer hardware	1,196	1,182	14	159
Computer software	1,600	1,042	558	628
Office equipment	8	6	2	4
TOTAL	3,953	2,375	1,578	1,816

6. ADMINISTRATION ($000)

	2000	1999
Salaries, wages and benefits	8,539	12,664
Professional services	2,959	3,579
Advertising and publications	548	1,162
Information systems	812	1,668
Building occupancy	1,537	1,565
Staff travel	961	1,321
General operating	957	1,125
Furniture and equipment	17	162
Amortization	590	668
Board expenses	155	217
TOTAL	17,075	24,131

7. RESERVE FOR PROGRAM CONTINUITY

The reserve for program continuity was established to ensure that funds are available to cover program commitments in years where Forest Renewal BC revenues fall below existing and anticipated program commitments.

8. RESERVE FOR FINANCE PURPOSES

The reserve for finance purposes was initially established to fully cover all loan guarantees made by Forest Renewal BC. As at March 31, 1999, the reserve was expanded to set aside funds for long-term investments, provided to entities to enable them to finance long-term program objectives.

The reserve was increased by $15 million during the year ended March 31, 2000, primarily to include the managed funds held by B.C. universities to fund Forest Renewal BC's endowment program.

9. RESERVE FOR MULTI-YEAR AGREEMENTS

The reserve for multi-year agreements was established to reserve, for future years, those unspent funds committed annually under these agreements.

During the year ended March 31, 2000, $136 million was transferred to the reserve, of which $133 million was spent by recipients, increasing the reserve by $3 million.

10. RELATED PARTY TRANSACTIONS

The Corporation is related through common ownership to all Province of British Columbia ministries, agencies and Crown corporations. Transactions with these entities, considered to be in the normal course of operations, are recorded at cost for program delivery, and at normal commercial terms for other administrative services.

Ministries, agencies and Crown corporations accounted for 36% (1999 – 38%) of program expenditures and 19% (1999 – 15%) of administrative expenditures.

11. PENSION PLAN

The Corporation and its employees contribute to the Public Service Pension Plan in accordance with the *Pension (Public Service) Act*. New Forest Opportunities Ltd. and its employees do not contribute to the Public Service Pension Plan. The Superannuation Commission of the Province of British Columbia administers the Plan, including the payment of pension benefits on behalf of employers and employees to whom the Act applies. The Plan is a defined benefit pension plan.

The Province of British Columbia has statutory responsibility for any unfunded liability.

The most recent actuarial valuation (March 31, 1999) has determined the Plan is in a surplus position. As a result of this valuation, the Superannuation Commission has refunded a portion of the Corporation's employer contributions of $343,722, which will be collected through a reduction in the Corporation's employer contributions in fiscal 2000/01.

12. COMMITMENTS

(a) The Corporation has entered into facilities leases for office space in Victoria, Kamloops, Williams Lake, Prince George, Cranbrook, Nanaimo, Vancouver, Campbell River and Smithers expiring on various dates to 2002. The Corporation also leases vehicles. Future minimum payments under these leases are as follows:

Year	($000)
2001	1,053
2002	991
2003	693
2004	564
2005	470
TOTAL	3,771

(b) At March 31, 2000, the Corporation has contracted project commitments that carry over to subsequent years, as follows:

Year	($000)
2001	172,150
2002	166,634
2003	142,136
2004	19,627
Subsequent Years	967
TOTAL	501,514

13. CONTINGENT LIABILITIES

Forest Renewal BC has entered into agreements through which it indemnifies loans advanced by various lenders, mainly financial institutions to support the Communities and Value-added programs. As at March 31, 2000 Forest Renewal BC has the following indemnities outstanding:

- Canadian Imperial Bank of Commerce – 85% guarantee to a maximum of $800,000 if the total portfolio is less than $4 million (current indemnification $210,000).
- B.C. Advanced System Foundation – up to the amount of the loans outstanding with respect to the Forest Innovation Development Fund (current indemnification $3 million)

Forest Renewal BC is the defendant in a writ filed in the B.C. Supreme Court January 27, 2000. The writ involves a class action claim involving the personal income tax liabilities incurred by recipients of benefits under one of Forest Renewal BC's programs. To date, no Statement of Claim has been filed and the amount and outcome of the action cannot be estimated.

APPENDIX A

FOREST RENEWAL BC FUNDING PRINCIPLES

Consistency with corporate mandate—Forest Renewal BC will fund only those proposals that are consistent with its mandate to renew the forest economy of British Columbia by enhancing the productive capacity and environmental values of forest lands, creating jobs, providing training for forest workers, and strengthening local communities that depend on the forest industry.

Incrementality—Forest Renewal BC funds should be used to expand the overall level of investment in the forest economy, rather than displace existing spending. Forest Renewal BC will only invest in programs and projects that would not otherwise be undertaken by government or project proponents.

Wise spending—Projects funded by Forest Renewal BC should demonstrate economy of delivery, efficiency of operation, and effectiveness in achieving desired results.

Regional equity and sensitivity—Forest Renewal BC-funded projects should contribute to the corporation's goals of obtaining regional input into decision making and delivering regionally equitable programming.

First Nations participation—To the greatest extent possible, projects funded by Forest Renewal BC should encourage the participation of First Nations.

Community stability—Forest Renewal BC-funded projects should help enhance long-term community stability and emphasize local employment.

Jobs—Forest Renewal BC investments should sustain or create jobs, or help create conditions that support permanent jobs.

Sustainability—Forest Renewal BC investments should promote sustainability by integrating environmental, economic and social objectives and benefits.

Environmental values—Projects funded by Forest Renewal BC should contribute to restoring and maintaining the ecological integrity and environmental sustainability of the forests.

APPENDIX B

FOREST RENEWAL BC BOARD OF DIRECTORS

Roger Stanyer, Duncan
Chair of the Board and Chief Executive Officer,
Forest Renewal BC

Peter Beulah, Penticton
President, Greenwood Forest Products

John Brink, Prince George
Brink Forest Products

Ric Careless, Gibsons
Executive Director, BC Spaces for Nature

Linda Coady, Vancouver
Vice-President of Environmental Enterprise
Weyerhaeuser

Lee Doney, Victoria
Deputy Minister, Ministry of Forests

Hon. Jim Doyle, Golden
Minister of Forests

Desmond Gelz, Prince George
Vice-President, Wood Products, Northwood Inc.

David Haggard, Port Alberni
National President, IWA-Canada

Donald Hayes, Cobble Hill
Hayes Forest Services Ltd.

JoAnne Kineshanko, Lumby
Mayor, Village of Lumby

Garry Merkel, Kimberley
Vice-Chair, Columbia Basin Trust

Dave Neads, Anahim Lake
Executive Director, Cariboo-Chilcotin
Conservation Society

Brian Payne, Vancouver
Vice-President, Western Region Communications,
Energy and Paperworkers Union of Canada

Glenn Robertson, Campbell River
MLA, North Island

Hon. Joan Sawicki, Burnaby
Minister of Environment, Lands and Parks

George Watts, Port Alberni
Principal, Imhahup Consulting Group

APPENDIX C

FOREST RENEWAL BC ADVISORY COMMITTEES

FOREST RESOURCES COMMITTEE

Makes recommendations to the Forest Renewal BC Board of Directors on investments in forest resources and the forest land base.

David Haggard, Chair, Vancouver
Rod Beaumont, Vancouver—Industry
Bill Bourgeois, Vancouver—Industry
Bruce Ernst, Quesnel—Labour
Mark Haddock, Port Moody—Environment
Tony Harrison, North Vancouver—Industry
Jim Maxwell, Victoria—Government
Henry Moore, New Aiyansh—First Nations
Esmond Preus, Campbell River—Industry
Roger Stanyer, Duncan—Forest Renewal BC

ENVIRONMENT COMMITTEE

Makes recommendations to the Forest Renewal BC Board of Directors on investing in the environmental values of the forest.

Ric Careless, Chair, Gibsons
Dave Neads, Co-Chair, Anahim Lake
Ralph Archibald, Victoria—Government
Ken Baker, Victoria—Government
Russell Collier, Hazelton—First Nations
Jim Cooperman, Chase—Environment
Wes Giesbrecht, Smithers—Community
Rick Jeffrey, Vancouver—Industry
Don Laishley, Vancouver—Industry
Loni Parker, Revelstoke—Community
Paul Senez, Victoria—Environment
Roger Stanyer, Duncan—Forest Renewal BC
Greg Utzig, Nelson—Environment
Rodney Willis, Vernon—Industry
Paul Zeegers, Quesnel—Labour

WORKFORCE COMMITTEE

Makes recommendations to the Forest Renewal BC Board of Directors on fostering employment opportunities, job training and related initiatives to assist forest workers and expand the forest workforce.

Garry Merkel, Chair, Kimberley
Bob Beard, Nanaimo—Government
John Betts, Nelson—Industry
Alice Downing, Prince George—Industry
Kerry Jothen, Burnaby—Industry
Gordon Prest, Merritt—First Nations
Bill Routley, Duncan—Labour
Roger Stanyer, Duncan—Forest Renewal BC
Paul West, Victoria—Environment
Fred Wilson, Vancouver—Labour

COMMUNITIES COMMITTEE

Makes recommendations to the Forest Renewal BC Board of Directors on supporting forest-based community development and adjustment.

George Watts, Chair, Port Alberni
Joanne Kineshanko, Co-Chair, Lumby
Muriel Dodge, Williams Lake—Community
Charlie Lasser, Chetwynd—Community
Corinne Lonsdale, Squamish—Community
Jim Lornie, Campbell River—Community
Libby Nelson, Fruitvale—Community
Roger Stanyer, Duncan—Forest Renewal BC
Mike Tarr, Prince Rupert—Community
Suzanne Veit, Victoria—Government

APPENDIX D

FOREST RENEWAL BC OFFICES

VALUE-ADDED COMMITTEE

Makes recommendations to the Forest Renewal BC Board of Directors on investments that assist forest industry diversification, further processing of the wood supply and increased manufacturing of wood products.

Peter Beulah, Chair, Penticton

John Brink, Co-Chair, Prince George

Harvey Arcand, Vancouver—Labour

Bob Bird, Penticton—Industry

Del Blackstock, Prince George—Industry

Trevor Buddo, Langley—Industry

Russ Cameron, Surrey—Industry

David Cohen, Vancouver—Education

George Cousineau, Bowser—Industry

Russ Dowdeswell, Lumby—Industry

Joan Easton, Victoria—Government

Manson Galligan, Golden—Industry

Ken Kalesnikoff, Thrums—Industry

Bill Reedy, Westbank—Industry

Roger Stanyer, Duncan—Forest Renewal BC

Wayne Ward, Prince George—Industry

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Omineca-Peace Region
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Pacific Region
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Campbell River, BC V9W 5P7
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